2015

Statutory Annual Report

TRANS LINK

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
2015 STATUTORY ANNUAL REPORT

The *South Coast British Columbia Transportation Authority* (TransLink) is required to provide an annual report and audited financial statements to the Mayors' Council on Regional Transportation by March 31st. This report fulfills the reporting obligation to provide:

A. A summary of operations during the year with comparison to the strategic transportation plan and the annual transportation plan;

B. The audited financial statements for the year;

C. A summary of the nature of complaints received in the year and actions taken in response to those complaints;

D. A summary of the results of the customer satisfaction survey process;

E. Amendments to the articles of the Authority;

F. A summary of the date, type and outcome of meetings of TransLink's Board of Directors held during the year;

G. Fare Collection Bylaw; and

H. A summary of tickets issued and collection under Section 248.

This report should be read in conjunction with the 2015 Annual Report, in order to get a full understanding of the organization and its financial and operational performance. The 2015 Annual Report will be presented at the 2015 Annual General Meeting and will be available on TransLink's website.

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EXECUTIVE SUMMARY

Under the *South Coast British Columbia Transportation Authority Act*, TransLink is required to prepare an annual report that includes a summary of operations for the year along with a comparison to the organization's applicable strategic, service, capital and operational plans. This 2015 Statutory Annual Report meets that requirement, and includes other reporting obligations such as audited financial statements, complaints and customer satisfaction summaries. This report should be read in conjunction with the 2015 Annual Report to obtain a full understanding of the organization and the strategic platform that drives its financial and operational performance. The 2015 Annual Report will be presented at the 2015 Annual General Meeting.

TransLink's current Strategic Plan, as defined by legislation, is Transportation and Financial Base Plan for 2014 to 2016 and Outlook for 2017 to 2023 (2014 Base Plan and Outlook). This 2015 Statutory Annual Report makes reference to year 2 of the 2014 Base Plan and Outlook.

A. OPERATIONS SUMMARY

1 Transportation Services Provided

The table below provides a summary of services provided, services consumed and operating cost metrics for 2015 compared to the 2015 year of the 2014 Base Plan.

	2015 Actual	2015 10-Year Base Plan	Fav./(Unfav.) Over Plan	% Change
Scheduled Transit Service				
Service hours (thousands)	6,255	6,275	(20)	(0.3%)
Revenue passengers (thousands)	237,587	242,682	(5,095)	(2.1%)
Boarded passengers (thousands)	362,921	371,168	(8,247)	(2.2%)
Operating cost per total vehicle kilometer*	$5.89	$5.87	($0.02)	(0.3%)
Total cost recovery	51.8%	57.0%	(5.2%)	(9.2%)
Average fare per revenue passenger	$2.06	$2.20	($0.14)	(6.4%)
Access Transit Service				
Service hours (thousands) **	557	598	(41)	(6.9%)
Revenue passengers (thousands)	1,208	1,395	(187)	(13.4%)
Boarded passengers (thousands)	1,340	1,527	(187)	(12.2%)
Operating cost per service hour	$87.90	$84.05	($3.85)	(4.6%)
Operating cost per revenue passenger	$40.53	$36.03	($4.50)	(12.5%)
Golden Ears Bridge				
Crossings (thousands)	12,696	11,722	974	8.3%
Average toll per crossing	$3.65	$3.50	$0.15	4.2%

* 2015 Year in the 2014 Base Plan restated for comparative purposes. Includes operating costs of Bus, SeaBus, Expo & Millennium Line, West Coast Express and Police, and excludes depreciation and interest expense.

** Service hours do not include taxi service hours

Observations on Scheduled Transit Service

- Actual service hours were lower than the Base Plan by 20,000 (0.3 per cent) as a result of the timing of scheduling efficiencies and other service adjustments planned throughout the year.
- Actual revenue passengers and boarded passengers were respectively 5.1 million (2.1 per cent) and 8.2 million (2.2 per cent) lower than the Base Plan. This is due to the impact of the 2013 fare increase. The 2015 year was developed with preliminary 2013 ridership numbers and actual ridership numbers were lower than what had been assumed in the Plan. Ridership in 2015 was higher than 2014; however, ongoing analysis into lower-than-planned ridership suggests that the 2013 fare increase had a longer lasting effect on ridership than expected. Lower fuel prices also have an impact on ridership.
- Operating cost per total vehicle kilometre is close to Plan.
- Total cost recovery ratio and the average fare per revenue passenger are lower than Plan due to lower transit revenues, driven by lower ridership and no fare increase which had been contemplated in the Plan.

Observations on Access Transit Service

- The number of Access Transit trips offered remains consistent; however, service hours were shared between HandyDART vehicles and taxis. Since 2014 there has been a focus to improve Access Transit Service productivity by delivering more trips through the utilization of taxis. As a result of this improvement, Access Transit service productivity measure has shifted to number of trips delivered from number of service hours. In 2015, Access Transit delivered a total of 1.2 million trips, of which eight per cent were through the use of taxis.
- Operating costs per service hour and per revenue passenger are unfavourable, as demand for HandyDART services had not grown at the planned rate. This is consistent with an overall decline in ridership.

Observations on Golden Ears Bridge

- Higher traffic volumes were realized in 2015 resulting in 974,000 (8.3 per cent) more crossings compared to Plan.
- The average toll rate per crossing is higher due to fewer drivers taking advantage of discounted rates compared to plan.

2 2015 Transportation and Financial Plan Status Report

The following items from the 2014 Base Plan and Outlook were identified as occurring in 2015. An update of their status is provided below:

What's in the Plan

The 2014 Base Plan included initiatives to improve operational efficiency, improve service, define an appropriate solution for the Pattullo Bridge operation and maintenance, and plan an efficient Major Road Network.

- Highway 1 Rapid Bus (route 555) was successfully extended to Lougheed Town Centre SkyTrain Station in September 2015.
- The Mayors' Council agreed to a preferred solution on the Pattullo Bridge through approval of the *Regional Transportation Investments, A Vision for Metro Vancouver* in June 2014. The Vision was subsequently endorsed by the TransLink Board and by councils at the City of Surrey and the City of New Westminster. Following public consultation in 2015, project development activities continue; project approval may occur in the future through approval of the next 10-Year Investment Plan.

Looking Ahead

- In the first quarter of 2015, TransLink provided financial and in-kind staff support to the Referendum (Plebiscite) Secretariat. Activities included awareness building of the Transit and Transportation Plan and support for Mayors' Council's related advocacy activities. These activities included public and stakeholder engagement, market research (such as awareness and sentiment tracking) and advertising. TransLink also focused on engaging and involving the 6,700 employees across the enterprise, facilitating open dialogue through events such as town halls, transit centre visits and crew room briefings.
- Although the outcome of the Metro Vancouver Transportation and Transit Plebiscite was a "no" vote, TransLink continued to increase and built support and relationships with stakeholders. During the summer, TransLink took steps toward securing senior government funding for the major investments that are part of the Mayors' Council Vision. This included moving forward with work on developing rapid transit South of the Fraser, the Broadway SkyTrain extension, and the Pattullo Bridge replacement.

Invest Strategically

Strategic investment activities contemplated in the 2014 Base Plan and advanced in 2015 included station upgrades on the Expo Line, preparation for the launch of the Millennium Line Evergreen Extension, rehabilitation of the Pattullo Bridge and contribution to improved movement of goods in the region to enhance livability.

- TransLink continues to lower total vehicle hours and reduce bus recovery time while maintaining or improving existing service. Scheduling efficiency initiatives allowed Coast Mountain Bus Company to provide improved NightBus and extend other services in 2015 with the same fleet and number of operators.
- In 2015, 21 new 60' articulated hybrid buses replaced buses that had reached the end of their service lives. These new buses have 95 per cent lower Criteria Air Contaminants and 26 per cent lower Green House Gas emissions.
- Translink continued work on the Custom Transit Service Delivery Model Review initiated in 2013 to ensure a sustainable custom transit delivery model that can adapt to the varied transportation needs of customers. There were continued efforts by Access Transit to ensure TransLink served people with disabilities safely, securely and respectfully. More accessible bus stops, better signage, continued dialogue

with stakeholders, and increased use of taxis to increase Access Transit service availability helped better optimize service delivery.

- Seven station upgrades were included in the 2014 Base Plan and Outlook; two were completed by the end of 2015 (Main Street and Scott Road) and three more are underway (New Westminster, Commercial-Broadway and Metrotown).
- West Coast Express service levels remained relatively the same in 2015 and the service agreement with CP Rail was renewed in 2015.
- TransLink conducted a review of the operation, maintenance and pavement rehabilitation costs incurred by municipalities and communicated this to the Major Roads and Transportation Advisory Committee in spring 2015.
- Integration plans for the Evergreen Extension into the existing network increased in 2015, including the completion of the Northeast Sector Area Transit Plan and design of wayfinding in preparation for the launch of the Evergreen Extension in 2017. Wayfinding was also completed at the Main Street–Science World Station and improvements will continue at locations throughout the system.
- To accommodate expected Evergreen Extension traffic and an increased population, the Commercial-Broadway Station upgrade design was completed and construction began in April 2015, with expected completion in April 2017.
- The 78-year-old Pattullo Bridge received significant attention in 2015, including work on the steel pedestrian fence posts and railings as well as the deck area. The rehabilitation design project was completed to address the most critical deck condition and seismic issues. While work will continue on rehabilitation of the existing deck, the seismic upgrading has been cancelled, with efforts redirected to the bridge replacement project.
- The Roberts Bank Rail Corridor project neared completion in 2015 and the Railway Crossing Information System is being transitioned from TransLink to the Ministry of Transportation and Infrastructure (MoTI).
- To improve the reliability and safety of goods movement along the Major Road Network, TransLink worked with funding partners to complete the Low Level Road Project in North Vancouver and the Powell Street Overpass in Vancouver.
- TransLink contributed to a Transport Canada study on assessing the feasibility of improving online visibility of empty containers, supporting research to reduce truck trips and make information about container locations available online.

Manage the System

The focus of the 2015 year in the 2014 Base Plan was on finding efficiencies to generate cost savings while maintaining existing service levels and using available funds to invest strategically.

TransLink's operating companies have been pursuing cost saving efficiencies through operator and route scheduling, such as recovery time, right sizing the fleet and re-allocating lower productivity service hours to more productive routes.

- Public consultation on 85 proposed network changes aimed to deliver on our transit plans; integrate bus service to better connect to the Evergreen Extension; decrease travel time on busy routes; extend service to areas with high customer demand; take advantage of road and infrastructure changes; and make our system more efficient
- The Northeast Sector Area Transit Plan, along with the Evergreen transit integration plan, was completed in 2015. Stakeholder work on the multimodal Southwest Area Transport Plan commenced in 2015 and will continue through 2016.

- TransLink continues to engage with regional partners to develop a mobility pricing strategy.
- The safety and security of customers, staff and our assets is fundamental to our business. In the 2014 Base Plan, Transit Police committed to assess opportunities to increase police presence on the regional transportation network with the Evergreen Extension coming on-stream and the launch of Compass Card. A new model for intelligence-based deployment is now being used to deploy the 167 officers most effectively.
- In 2015, TransLink's cost efficiency savings total $48.5 million. Revenue increasing efficiencies for 2015 total $23.4 million and one-time savings for 2015 were $7 million from cutting costs for buying goods and services, All of these total $78.9 million.

Partner to Make It Happen

TransLink works with municipalities and all levels of governments, businesses, residents and customers to ensure investment and transportation decisions supports land use decisions, ensures efficient movement of goods, leverages real estate assets and considers stakeholders.

- TransLink, in partnership with the MoTI Commercial Vehicle Safety and Enforcement (CVSE) Branch, collaboratively evaluated the needs and pursued solutions to streamline current commercial vehicle permitting and enforcement practices.
- Since 2012, Real Estate has managed more than 50 Adjacent and Integrated Development (AID) projects. The AID Program supports Metro Vancouver's Regional Growth Strategy and TransLink's Regional Transportation Strategy.
- In early 2015, TransLink provided technical support to the Mayors' Council Secretariat during the Transportation and Transit Plebiscite. In late 2015, TransLink continued to work with the Mayors' Council to support regional funding discussions and the consideration of investment needs.

3 2015 Financial Plan

The commitments, services, programs and assumptions contemplated in the 2014 Base Plan and Outlook result in a Budgeted Consolidated Statement of Operations Summary (which uses Generally Accepted Accounting Principles (GAAP) for local government as recommended by the Public Sector Accounting Board as a starting point). The table below compares Year-2 (2015) of the 2014 Plan and the actual results on a GAAP and funded basis as stipulated under the *South Coast British Columbia Transportation Authority Act*, which represents the amount of resources available to fund operations. Section 5 provides a detailed review of 2015 actual revenue and expenditures compared to the 2015 Budget.

TransLink

2014 Base Plan and Outlook (Year 2 - 2015) compared to Actual Results (Unaudited)

($ millions)	**2015 Actual**	**2015 Year in 2014 Base Plan**	**Fav./ (Unfav.)**	**% Change**
Revenues				
Transit	511.4	551.0	(39.6)	(7.2%)
Golden Ears Bridge Tolls	48.4	41.1	7.3	17.8%
Taxation				
Fuel	356.8	335.7	21.1	6.3%
Property & replacement	332.5	332.1	0.4	0.1%
Parking rights tax	63.3	56.9	6.4	11.2%
Hydro levy	20.1	20.0	0.1	0.5%
Total Taxation	772.7	744.7	28.0	3.8%
Government Transfers	228.9	111.8	117.1	104.7%
Amortization of deferred concessionaire credit	23.3	23.3	-	0.0%
Interest Income	34.4	37.7	(3.3)	(8.8%)
Miscellaneous Revenue	6.1	-	6.1	
Gain/(Loss) on Disposal of Assets	2.3	-	2.3	
Total Revenues	1,627.6	1,509.6	118.0	7.8%
Expenditures				
Transit Operations	911.8	918.0	6.2	0.7%
Roads & Bridges	71.2	84.0	12.8	15.2%
TransLink	113.0	77.8	(35.2)	(45.2%)
Transit Police	33.1	33.1	-	0.0%
Total Expenditures	1,129.1	1,112.9	(16.2)	-1.5%
Surplus/(Deficit) before Interest & Amortization	498.5	396.7	101.8	25.7%
Amortization	168.3	186.2	17.9	9.6%
Interest Expense	167.9	191.4	23.5	12.3%
Surplus/(Deficit)	162.3	19.1	143.2	749.7%
Funding Adjustments	(162.1)	(37.6)	124.5	-331.1%
Funded Surplus/(Deficit)	0.2	(18.5)	18.7	101.1%
Opening Cumulative Funded Surplus	365.2	253.7	111.5	43.9%
Closing Cumulative Funded Surplus	365.4	235.2	130.2	55.4%

Transit revenues were $39.6 million (7.2 per cent) below Plan, driven by lower than expected ridership and deferring the fare increases that had been planned for 2015.

Golden Ears Bridge toll revenue for 2015 was $7.3 million (17.8 per cent) above Plan as vehicle crossings were higher than expected and interest revenue was generated from Quickpass accounts.

Fuel tax revenues were $21.1 million (6.3 per cent) higher than Plan as a result of the Metro Vancouver region experiencing an increase in Vehicle Kilometres Travelled (VKT), resulting in increased local fuel sales. In addition, a weaker Canadian dollar and drop in crude oil prices has reduced the amount of cross-border fuel purchases.

Property tax revenues were $0.4 million (0.1 per cent) above the planned revenue of $332.1 million. Rates are set annually to achieve the planned property tax with an adjustment for changes to property values factored into the calculation. The increase is attributable to the small unassessed portion of the legislated increase that was available for adjustments between the Completed and Revised rolls but not required.

Parking rights taxes were $6.4 million (11.2 per cent) favourable to Plan as higher revenues due to factors such as increased VKT in the transit region and specific events such as the 2015 FIFA Women's World Cup.

Government funding was $117.1 million (104.7 per cent) favourable to Plan. In 2015, TransLink signed a new agreement with the Union of British Columbia Municipalities (UBCM), effective April 1, 2014, for the transfer of Federal Gas Tax Funds. Under the new agreement, assets acquired subsequent to April 1, 2014 are not subject to stipulations and the funding is recognized in revenue when the funds are spent on eligible items. For assets acquired prior to April 1, 2014, the Authority is required to continue to retain the asset for a period of ten years and the funds are amortized to revenue over ten years. TransLink achieved a $162.3 million surplus, $135.5 million higher than in 2014, and $160.4 million better than budget. If the Authority was required to retain the asset for a period of ten years for assets acquired subsequent to April 1, 2014, the amount for Federal Gas Tax funds recognized as revenue would have been $44.8 million. The surplus related to Gas Tax Funds is specifically for capital projects and are not available to fund operations.

Interest income was $3.3 million (8.8 per cent) unfavourable to Plan primarily due to lower sinking fund balances, and lower interest rates.

Miscellaneous revenues were $6.1 million, consisting mostly of recoveries from third parties. The Plan forecasts expenditures net of recoveries, therefore miscellaneous revenue was not included in the Plan.

Gain on disposal of assets from the sale of surplus property was $2.3 million and was not contemplated in the Plan.

Transit operations costs were $6.2 million (0.7 per cent) favourable to Plan as lower fuel and insurance costs, lower employee benefit costs and lower professional fees more than offset higher revenue vehicle material costs and contractual increases. Higher revenue vehicle material costs were due to a weaker Canadian dollar, inflation on materials and more major repairs. Increased labour costs included additional staff on Expo/Millennium Lines in response to the recommendations put forward in the independent review of the SkyTrain disruptions in 2014, contract settlements, retroactive pay, and higher overtime for bus operations to cover employees on Compass Card training.

Spending on roads and bridges was $12.8 million (15.2 per cent) favourable to Plan. Contributions to municipalities were $6.5 million lower than Plan mainly due to delays in municipal project completion.

TransLink costs of $113 million were $35.2 million (45.2 per cent) unfavourable to Plan. One-time costs were incurred in 2015, such as the support for the Transportation and Transit Plebiscite, rapid transit studies, non-capitalizable seismic upgrade design costs related to the Pattullo Bridge, Compass start-up costs, and corporate restructuring that were not contemplated in the Plan for 2015.

Amortization and interest costs were $41.4 million favourable to Plan due to lower than anticipated borrowings and lower interest rates than expected and fewer assets capitalized in the latter part of 2014 and 2015.

Funding adjustments were $124.5 million favourable to Plan mainly due to the change in accounting treatment for government funding. Funding adjustments are the changes required to the statement of operations to calculate the cumulative funded surplus under the SCBCTA Act. The cumulative funded surpus is defined as the amount of resources available to fund future operations.

4 2015 Capital Program

Schedule 1

Below is Schedule 1 that lists the projects that were included in the 2015 Capital Program and indicate their current status. The schedule includes activity related to new capital projects in 2015 ($ thousands) including any carry forward Approved in Principle (AIP) projects from 2014:

Project and Program Titles	Approved in Principle (AiP)	Specific Project Approval (SPA)		Current Status				
	Budget	Approval Date	Budget	Budget	Actual Cost to Date	Forecast to Complete	Final Forecasted Cost	Completion Date
Equipment								
AARU Controller Replacement	1,955	Project cancelled on 18-Dec-15						
Replace Platform LEDs System	11,810	25-Mar-15	9,559	9,559	8	9,470	9,478	30-Apr-17
ATC Existing Equipment Replacement - Phase 2	6,515	28-Aug-15	5,100	5,100	8	5,272	5,280	31-Aug-17
Fibre Optic System Upgrade Stage 3	4,290	13-Aug-15	4,290	4,290	19	4,215	4,234	2-Apr-18
Access Transit - Replace Mobile Data Terminals in HandyDART	1,200	19-Nov-15	1,150	1,150		1,150	1,150	31-Aug-16
All projects (6) less than $1M	1,877		2,649	2,649		2,629	2,629	
Total for Equipment	**27,647**		**22,748**	**22,748**	**35**	**22,736**	**22,771**	
Facilities								
BTC South and STC Administration Roof Replacement	1,250	Project cancelled on 16-Jul-15						
STC CNG Facility Retrofit	9,238	12-Mar-15	13,220	15,000	80	15,060	15,140	1-Apr-17
STC Roof and Envelope Replacement 2015	2,500	13-Aug-15	1,390	1,390	8	1,337	1,345	31-Oct-16
All projects (4) less than $1M	1,850		1,600	1,850	436	1,217	1,653	
Total for Facilities	**14,838**		**16,210**	**18,240**	**524**	**17,614**	**18,138**	
Infrastructure								
2015 BCRTC Resiliency Program	6,000	Project cancelled on 30-Jul-15						
STC CNG Facility Retrofit	5,000	Project cancelled on 12-Mar-15						
2015 Running Rail Replacement	1,412	Project cancelled on 22-Dec-14						
Newton Exchange Layover Facility	1,345	Project cancelled on 1-Dec-15						
Elevator - Escalator Overhaul	1,180	Project cancelled on 25-Feb-15						
Expo and Millennium Line Signage and Station Fixture Replacement	6,760	Rolled into 2016 Capital Pgm						
Seismic Upgrade South SeaBus and Skywalk - Construction	6,000	Rolled into 2016 Capital Pgm						
22nd Street Exchange - Lighting and Passenger Safety Compliance	1,132	Rolled into 2016 Capital Pgm						
2015 Major Road Network and Bike Capital Program	24,214	16-Feb-15	24,214	24,214	17,565	6,951	24,516	31-Dec-18
Joyce Collingwood SkyTrain Station Upgrade Construction	18,751	13-Aug-15	21,050	23,440	431	23,009	23,440	30-Jun-17
Metrotown Station and Exchange Upgrade Construction Phase 2	11,200	13-Aug-15	10,510	10,510	5,456	5,054	10,510	31-Oct-17
Expo Line Escalator Replacement Stage 1	2,328	25-Feb-15	2,328	3,718	14	3,583	3,597	21-Aug-18
Trolley Overhead Installation Downtown Vancouver	1,900	4-Jun-15	1,845	1,845	23	1,845	1,868	30-Jun-16
29th Avenue Bus Exchange Layover Improvements	1,426	18-Dec-15	1,815	1,815		1,815	1,815	30-Jun-17
TOH Pole Replacement	1,000	9-Apr-15	1,000	1,000	498	500	998	30-Jun-16
TOH Running Wire And Switches Replacement	1,000	12-Mar-15	1,000	1,000	952	422	1,374	31-May-16
All projects (14) less than $1M	15,095		2,469	2,469	759	1,382	2,141	
Total for Infrastructure	**105,743**		**66,231**	**70,011**	**25,698**	**44,561**	**70,259**	
Major Construction Projects								
Evergreen Extension Integration to Meet Current Standards	4,626	18-Dec-15	7,877	7,877	1	7,877	7,878	2-Jan-17
Total for Major Construction Projects	**4,626**		**7,877**	**7,877**	**1**	**7,877**	**7,878**	
Technology Applications								
TransLink Enterprise Asset Management (P)	1,237	Project cancelled on 18-Dec-15						
BT Infrastructure Capacity Sufficiency - Storage 2015	2,850	Rolled into 2016 Capital Pgm						
2015 Website Modernization	2,200	Rolled into 2016 Capital Pgm						
IT Equipment Replacement 2015 Program	3,030	30-Jul-15	2,540	2,540		2,540	2,540	25-Jan-16
Data Warehouse Business Intelligence DW BI Program (P)	2,000	01-Dec-15	1,185	1,185	22	1,176	1,198	7-Apr-17
All projects (19) less than $1M	6,584		3,626	9,116	296	8,443	8,739	
Total for Technology Applications	**17,901**		**7,351**	**12,841**	**318**	**12,159**	**12,477**	
Vehicles Conventional Revenue								
2016 HandyDART Replacement Vehicles	5,600	Project cancelled on 18-Dec-15						
2016 Conventional Bus Replacement (P)	16,200	Rolled into 2016 Capital Pgm						
2016 Community Shuttle Replacements	4,200	Rolled into 2016 Capital Pgm						
2016 Conventional Bus Replacement	60,200	22-Oct-15	60,200	60,200		60,200	60,200	31-Dec-16
2015 HandyDART Vehicle Replacement (P)	5,430	21-Sep-15	4,000	4,000	1,505	2,495	4,000	31-Dec-16
Total for Vehicles Conventional Revenue	**91,630**		**64,200**	**64,200**	**1,505**	**62,695**	**64,200**	
Vehicles Other Revenue or Non Revenue								
All projects (4) less than $1M	1,932		1,084	2,002	215	1,536	1,751	
Total for Vehicles Other Revenue or Non Revenue	**1,932**		**1,084**	**2,002**	**215**	**1,536**	**1,751**	
Totals	**264,317**		**185,700**	**197,919**	**28,296**	**169,178**	**197,474**	

TransLink Capital Program Status - Project Additions, Deletions and Not Initiated

Project	SSP#	Budget ($ 000's)	Reason
Additions Expo Line Escalator Replacement Stage 1	153103	2,328	Replace 6 Expo Line escalators as first of multi-stage replacement program to replace 32 that reached end of service life and are not included in scope of planned station upgrades
PeopleSoft 9.2 Update Specification Phase	161103	540	Specification phase for detailed analysis and planning to validate project estimates. Subsequent implementation phase to begin Q2 2016 and complete Q4 2016
SkyTrain Operations Maintenance Centre (OMC) 1 Occupational Health and Safety Upgrades	153104	300	Assess and replace deteriorating fire retardant vinyl face coating that may pose safety concern, and assess and rehabilitate west grinder pit currently used for storage
Fibre Optic System Upgrade Stage 3	151070	4,290	Extend geographic reach of BCRTC and TransLink fibre optic cables to Millennium Line stations from Lougheed Station to VCC-Clark Station, and provide fibre capacity to Automatic Train Control (ATC) Equipment Replacement project
Direct Digital Control (DDC) Headend Upgrade	151012	213	Upgrade current DDC headend, integrate Evergreen Extension, purchase PCs for DDC and maintenance manual, re-work 8 current station installations and replace incompatible system at OMC
Newton Layover Facilities	151015	267	Purchase and install washroom and crew room trailer at Newton layover with telephone and potable water connections to replace rented portable washroom unit

Project	SSP#	Budget ($ 000's)	Reason
Deletions 2015 Running Rail Replacement	153004	1,412	Project scope amalgamated with 2014 Running Rail Replacement (143014) to extract scale economies and address emerging safety risks
Elevator - Escalator Overhaul	143018	1,180	Another project to replace escalators and elevators will achieve same outcomes
Surrey Transit Centre (STC) Compressed Natural Gas (CNG) Facility Retrofit Design	142020	5,000	Design Build model better suited for facility, so project design and construction phases are combined under Design-Construction project
Network Access Control Implementation	142305	500	Due to insufficient resources and organizational readiness at this time
Learning Management System Implementation	141108a	250	Due to insufficient resources and organizational readiness at this time
Information Rights Management System for Data Protection	141114	507	Due to insufficient resources and organizational readiness at this time
Data Warehouse Business Intelligence Program 2015	151110	250	Due to insufficient resources and organizational readiness at this time
Enterprise Single Sign On	141110	150	Due to insufficient resources and organizational readiness at this time
Enterprise IT Portfolio Management Solution	151030	200	Due to insufficient resources to document and improve processes in preparation for automation
H Frame Phase Out Trolley Overhead (TOH) Feeder Cable Replacement	142057	50	BC Hydro delayed plans to phase out H-Frames until 2018, so unable to move feeder cables until BC Hydro completes work

Project	SSP#	Budget ($ 000's)	Reason
Deletions cont'd…			
Burnaby Transit Centre (BTC) South and STC Administration Roof Replacement	152049	1,250	BTC South garage roof not ready for replacement, but will be monitored in 2015 and revisit justification in 2016 for replacement in 2017, if required
Linear Induction Motor (LIM) Rail Retrofit Phase 1 Guideway Locations	143015	563	Based on revised priorities, deferred to 2017
Guideway Structural Expansion Joint Replacement	143204	745	Based on revised priorities, deferred to 2017
BCRTC Applications Modernization Program	143047a	500	Pre-implementation work not yet complete, deferred to 2016
New Boring Mill	153101	350	Based on revised priorities, deferred to 2017
2015 BCRTC Resiliency Program	153102	6,000	Reallocated to general capital program budget for specific project requests that address resiliency
CMBC Online Sign-up 2014 Program	142029	250	No longer required due to revised priorities
Enterprise Technical Drawings Database Implementation	152201	250	No longer required due to revised priorities
Maple Meadows WCE Station Bus Shelters	152038	180	No longer required due to revised priorities
Port Coquitlam WCE Station Bus Shelters	152039	250	No longer required due to revised priorities
Enterprise E-mail Archiving Solution	141107	400	No longer required due to revised priorities
Newton Exchange Layover Facility	152040	1,345	New project for washroom and crew room facilities replaced this project, because Newton Exchange layover facility expansion put on hold
BCRTC Server Replacement	143011	99	Cancelled to better accommodate higher priorities with limited resources
Automatic Assured Receptivity Unit (AARU) Controller Replacement	143017	1,955	Cancelled to better accommodate higher priorities with limited resources
Roofing Replacements - Phase 1	143024	345	Cancelled to better accommodate higher priorities with limited resources
2016 HandyDART Replacement Vehicles	152140	5,600	Cancelled to better accommodate higher priorities with limited resources
TransLink Enterprise Asset Management (P)	141071	1,237	Cancelled to better accommodate higher priorities with limited resources

Project	SSP#	Budget ($ 000's)	Reason
Projects Not Initiated			
2015 BCRTC Non-Revenue Vehicle (NRV) Life Cycle Replacement	153001	248	Insufficient capacity to move the project forward at this time
GWY Maintenance Vehicle - Pusher	153057	671	Rail borne equipment undergoing feasibility study assessment regarding design/fit for service
2016 Conventional Bus Replacement (P)	152130	16,200	Delayed until Year 8 Gas Tax Funding amendment is confirmed and committed
2016 Community Shuttle Replacements	152150	4,200	Delayed until Year 10 Gas Tax Funding agreement with Metro Vancouver is reached
Seismic Upgrade South SeaBus and Skywalk - Construction	122920a	6,000	Construction phase delayed due to additional technical information required from site investigative drilling that delayed completion of design phase

Project	SSP#	Budget ($ 000's)	Reason
Projects Not Initiated cont'd... Access Transit Server Re-hosting	152018	100	Delayed until feasibility study to define project risks, budget, scope and schedule is completed
2015 Power Smart Retrofits	152017	250	Project deferred until partner funding has been confirmed and committed
TSML Data Storage Equipment Replacement	151032	340	Delayed due to change in procurement strategy to take advantage of changes in market
BT Infrastructure Capacity Sufficiency - Storage 2015	151101	2,850	Delayed due to a change in procurement strategy to take advantage of changes in market
2015 Website Modernization	151031	2,200	Delayed until feasibility study to define project risks, budget, scope and schedule is completed
Expo and Millennium Line Signage and Station Fixture Replacement	151013	6,760	Delayed to develop more accurate budget estimate for this second phase based on bid prices received from contractors for first phase
22nd Street Exchange - Lighting and Passenger Safety Compliance	151010	1,132	Concept design development initiated in 2015 not yet finalized. Working with City of New Westminster to develop complementary neighbourhood plan

Schedule 2

Schedule 2 provides a comparison of the 2015 cash flow forecast in the 2014 Base Plan and Outlook to actual spending for the year, and notes reasons for major variances.

		2015 Cash Flow ($ thousands)			
Project Title	**Capital Asset Category**	**10 Year Plan**	**Actual Jan 1 - Dec 31**	**Variance Plan - Actuals & forecast**	**Comments on Variances > $1 Million**
ATC Existing Equipment Replacement - Phase 2	Equipment	3,239	8	3,231	Project initiation was delayed until completion of Phase 1 study report, which took longer than planned
Replace Intrusion Emergency Systems (PIES/GIES)	Equipment	2,729	0	2,729	Capital project deferred until feasibility study to identify industry best practice system is complete
AARU Controller Replacement	Equipment	1,903	0	1,903	Project cancelled
Enterprise Asset Maintenance (EAM) for BCRTC (294)	Equipment	1,000	0	1,000	Original project cancelled. Eligible for initiation in 2016
Equipment projects < $1 million	Equipment	5,437	3,246	2,191	
Total Equipment		**14,308**	**3,254**	**11,054**	
Hamilton Transit Centre Preliminary and Detailed Design	Facilities	34,452	46,085	-11,633	Project scope changed to install additional infrastructure for CNG bus operations and maintenance; this shifted cash flows from 2014 to 2015
STC Roof & Envelope (Window & Flashing) Replacement - 2015	Facilities	2,500	8	2,492	Due to project scope change which resulted in less capital spending in 2015, this shifted cash flow from 2015 to 2016
TL Head Office Relocation	Facilities	0	1,998	-1,998	Due to change of project scope. Relocation of CMBC to Gateway office was added to project scope
STC CNG Facility Retrofit	Facilities	2,453	80	2,373	Due to the change of project scope which resulted in delay in project approval. The planned project cash flow was shifted to 2016
Facilities projects < $1 million	Facilities	2,541	3,398	-857	
Total Facilities		**41,946**	**51,569**	**-9,623**	

		2015 Cash Flow ($ thousands)			
Project Title	**Capital Asset Category**	**10 Year Plan**	**Actual Jan 1 - Dec 31**	**Variance Plan - Actuals & forecast**	**Comments on variances > $1 million**
Compass Card and Faregate - Phase 3	Infrastructure	0	28,338	-28,338	Due to discrepancies between TL and TL contractor. System milestones planned for 2014 were rescheduled to 2015 and 2016.
SkyTrain Wayside Monitoring & Control System (IANS Mon & Cont Subs)	Infrastructure	0	1,307	-1,307	Due to delay in design. Cash flow was shifted to 2015
Roberts Bank Rail Corridor Program	Infrastructure	0	1,663	-1,663	Due to delays in municipalities billing TransLink
2010 MRN Minor Capital Program - First & Second Wave Program	Infrastructure	0	1,544	-1,544	Due to delays in municipalities billing TransLink
King George Boulevard B-Line - Queue Bypass Lane	Infrastructure	0	1,200	-1,200	Due to delays in municipalities billing TransLink
Running Rail Replacement	Infrastructure	0	2,528	-2,528	Due to contractor not being able to provide resources and insufficient access to track lines to complete work. Cash flow was shifted to 2015-2016
Expo Line Propulsion Power Upgrade	Infrastructure	0	13,068	-13,068	Due to change of project scope and limited contractor's resources. The planned project cash flow was shifted to 2015-2016
Main Street SkyTrain Station Upgrade Construction	Infrastructure	0	5,508	-5,508	Primarily due to not having Statutory right of way in place in time to start the west side of the station. Cash flow was shifted to 2015
New Westminster Station Upgrade Construction	Infrastructure	0	4,575	-4,575	Due to change of project scope. The planned project cash flow was shifted to 2015 - 2016
Pattullo Bridge Rehabilitation	Infrastructure	78,000	1,027	76,973	Bridge replacement approved. The project scope for long term rehabilitation has changed focusing on essential deck repairs only
Commercial Broadway SkyTrain Station Phase 2 Upgrade Construction	Infrastructure	20,698	20,165	533	
UBC Diesel Bus Terminal-TL Capital Contribution	Infrastructure	9,299	0	9,299	Construction on this bus facility could not begin before the adjacent UBC Aquatic Centre construction was completed. Cash flow was shifted to 2017
SeaBus Admin and Terminal Envelope Rehabilitation	Infrastructure	1,027	164	863	

Project Title	Capital Asset Category	2015 Cash Flow ($ thousands) 10 Year Plan	Actual Jan 1 - Dec 31	Variance Plan - Actuals & forecast	Comments on Variances > $1 Million
Metrotown Station & Exchange Upgrade Construction	Infrastructure	12,741	10,333	2,409	Mainly due to the delay in tendering process and contracting issues which resulted in delay in construction. In addition, delay in payment for design also caused some portion of the cash flow being shifted to 2016.
Surrey Central Station Upgrade Construction	Infrastructure	9,000	670	8,330	Due to delay in design. Construction cannot start until design is complete
Joyce-Collingwood Station Upgrade Construction	Infrastructure	9,000	1,673	7,327	Higher than expected tendering price resulted in a need to obtain additional funds which delayed the project start
Low Level Road Re-alignment Project	Infrastructure	3,748	0	3,748	Due to delays in municipalities billing TransLink
Pattullo Bridge short term rehabilitation Phase 2	Infrastructure	3,076	369	2,707	Due to uncertainties in repair needs and related costs
TOH Relocation - Design and Construction	Infrastructure	2,728	1,182	1,546	Due to change in property strategy resulting in lower project costs
2012 MRN Minor Capital Program	Infrastructure	2,545	2,475	70	
Brighouse Bus Mall Phase 2	Infrastructure	2,000	0	2,000	Due to delay in finalization of key business terms resulting in a longer processing time for development permit.
TOH Metrotown Group Rectifier Replacement	Infrastructure	1,956	92	1,864	Project initiation was delayed due to component procurement strategy and Metrotown station upgrade project phasing
Guideway Structure Bearing Replacement	Infrastructure	1,575	0	1,575	Project is deferred to 2025
Running Rail Replacement	Infrastructure	1,550	0	1,550	Project cancelled
Replace Platform LEDs System	Infrastructure	1,213	8	1,205	Due to the change of project scope, the planned project cash flow was shifted to 2016
TOH Pole Replacement - 2015	Infrastructure	1,000	498	502	
TOH Running Wire & Switch Replacement	Infrastructure	1,000	952	48	
Infrastructure projects < $1 million	Infrastructure	5,999	14,635	-8,636	
Total Infrastructure		**168,156**	**113,974**	**54,182**	

		2015 Cash Flow ($ thousands)			
Project Title	**Capital Asset Category**	**10 Year Plan**	**Actual Jan 1 - Dec 31**	**Variance Plan - Actuals & forecast**	**Comments on Variances > $1 Million**
Evergreen Extension - TransLink Contribution	Major Construction	221,603	65,835	155,768	Unexpected soil conditions resulted in delays to the tunnel boring operations for the Evergreen Extension, all subsequent work and capital spending are thus delayed
Major Construction projects < $1 million	Major Construction	0	188	-188	
Total Major Construction		**221,603**	**66,023**	**155,580**	
IT Equipment Replacement (2014)	Technology	10	2,641	-2,631	Due to shortages in equipment and resource availability
IT Equipment Replacement (2015)	Technology	2,131	0	2,131	Due to delay in signing contract with equipment provider, as such cashflows were shifted to 2016
Trapeze DOMS System Replacement (332)	Technology	2,000	0	2,000	Project cancelled
Data Warehouse/Business Intelligence (DW/BI) Program (375)	Technology	2,000	0	2,000	Project cancelled
BT Infrastructure Capacity Expansion: Storage (2015)	Technology	1,500	0	1,500	Rolled into 2016 Capital Program
Core System Updates (365)	Technology	1,000	0	1,000	Project cancelled
Technology and System projects < $1 million	Technology	6,158	4,669	1,489	
Total Technology and System		**14,799**	**7,310**	**7,489**	
2015 Conventional Replacement Buses	Conventional Vehicle	55,487	0	55,487	Due to the delay in the completion of Hamilton Transit Centre construction, where the 40' CNG buses are to operate. The vehicle manufacturing date has been delayed accordingly and project cash flows were shifted to 2016
100-400 Series MK I Refurbishment Project	Conventional Vehicle	12,223	3,909	8,314	Due to resource shortage in completing the floor panel tasks. Cash flow was shifted accordingly.
WCE Pitney Bowes Lease Buyout of Original 28 Cars	Conventional Vehicle	11,059	21,490	-10,431	Exercised early payment option to obtain supplier discount

		2015 Cash Flow ($ thousands)			
Project Title	**Capital Asset Category**	**10 Year Plan**	**Actual Jan 1 - Dec 31**	**Variance Plan - Actuals & forecast**	**Comments on Variances > $1 Million**
2016 Conventional Bus Replacement (75-40CNG & 10-40D & 26-60H)	Conventional Vehicle	8,630	0	8,630	Due to change of procurement strategy whereby early payments are now negotiated to be sent later to supplier upon acceptance of vehicle, which shifted anticipated cash flows into 2016
2014 Conventional Replacement Buses	Conventional Vehicle	1,538	14,689	-13,151	Due to uncertainty of bus acceptance timing. Some vehicles planned for 2014 acceptance and payment were accepted and paid for in 2015 instead
Conventional Vehicle projects < $1 million	Conventional Vehicle	933	1,323	-390	
Total Conventional Vehicle		**89,870**	**41,411**	**48,459**	
2015 HandyDART Vehicle Replacement	Vehicle – Non Revenue & Other	8,792	3,073	5,719	Due to uncertainty of bus acceptance timing. Some vehicles planned for 2015 acceptance and payment will be accepted and paid for in 2016 instead
2014 HandyDART Vehicle Replacement	Vehicle – Non Revenue & Other	189	5,082	-4,893	Due to a lack of capacity/resources at the vendors' facility resulting in a schedule delay. Some vehicles were accepted in 2015
2014 Community Shuttle Bus Replacement	Vehicle – Non Revenue & Other	464	2,885	-2,421	Due to bus acceptance timing. Some vehicles were accepted in 2015
2015 Community Shuttle Replacement Buses	Vehicle – Non Revenue & Other	4,616	0	4,616	Due to changes of vehicle technology causing a delay in preparing the RFP. Vehicle delivery and planned cash flow was deferred to 2016
NRV Replacements	Vehicle – Non Revenue & Other	1,102	215	887	
Vehicle - Non Revenue & Other < $1 million	Vehicle – Non Revenue & Other	1,250	2,040	-790	
Total Non-revenue and Other Vehicle		**16,413**	**13,295**	**3,118**	

		2015 Cash Flow ($ thousands)			
Project Title	**Capital Asset Category**	**10 Year Plan**	**Actual Jan 1 - Dec 31**	**Variance Plan - Actuals & forecast**	**Comments on Variances > $1 Million**
2015 MRNB and Bike Capital Rehabilitation Program	MRNB & Bike	20,350	17,565	2,785	Due to delays in municipalities billing TransLink
MRNB & Bike < $1 million	MRNB & Bike	0	0	0	
Total MRNB & Bike		**20,350**	**17,565**	**2,785**	
Enterprise Capital Program Totals		**587,446**	**314,401**	**273,046**	

5 2015 Financial and Performance Report

The 2015 Year-End Financial and Performance Report is attached as Appendix A.

6 *Transportation Demand Management*

Transportation Demand Management (TDM) is coordinated in Metro Vancouver under TransLink's TravelSmart initiative. TravelSmart represents partnerships between TransLink, municipalities, various government / non-governmental and industry partners all committed to helping more people choose transit, ridesharing, carpooling, car sharing, cycling and walking in place of single occupancy vehicle (SOV) trips. Changing behaviour is a component of the TDM measures necessary to balance growing mobility expectations against the capacity of our transportation system and the impacts of our travel choices.

Transportation Demand Management is legislated as part of TransLink's mandate and TravelSmart was Canada's first integrated transportation demand management program. The TravelSmart program identity became established following a successful pilot in nine Metro Vancouver communities in 2005/06. The regional showcase project in 2005/06 demonstrated that information and incentives could create an eight per cent reduction in single occupancy vehicle trips and significant increases in transit use, walking and biking. TravelSmart developed and became a core element of essential demand management for the 2010 Winter Olympic Games, helping reduce background traffic by over 30 per cent.

The adopted Regional Growth Strategy 1 (RGS 2013) describes policies to meet the demands of over one million new residents and 600,000 new jobs over the next 30-years. Central to the strategy are goals for denser land use and increased investment in transit and active transportation to create the conditions for reducing the high level of single occupancy vehicle trips in most areas. The Regional Transportation Strategy Framework2 (RTS 2013) responds to the RGS and describes how to "design our communities and transportation systems in such a way that they reduce the distances driven in the region by 33 per cent and make half our trips by walking, cycling and transit". Behaviour change measures are essential to the RTS as they provide the motivation, information and support necessary for individuals to change their travel habits.

A five-year strategy for TravelSmart was prepared in 2011 that aimed to secure the legacy of the Olympic success through regional partnerships. TravelSmart was adopted to optimize the efficient use of all transportation capacity and promote a shift towards sustainable travel in accordance with the targets contained in the 2040 Transportation Strategy. However, due to other priorities, it was not possible to fund the 2011 TravelSmart strategy to full program levels. Since 2012, the TravelSmart work plans have therefore concentrated on promoting opportunities provided through the TransLink investment program, and on engaging communities, schools and businesses, working closely with our municipal TravelSmart partners.

The following summarizes activity and outcomes from the 2015 business year according to the 'target area' headings contained in the 2015 TravelSmart work and program plans.

2015 TravelSmart headline results

- 1,440,450 people now live in a TravelSmart municipality
- Over 200,000 customers assisted during Compass Outreach campaigns
- 125,101st bicycle valet parked by TravelSmart at community events
- 20,000+ employees engaged in TravelSmart workplace travel planning projects
- 6,605 children taught how to cycle more safely
- 4,800 seniors and new immigrants provided with free travel training instruction
- 3,700 students engaged in TravelSmart school travel planning projects
- 2,250 Twitter followers from just 300 in 2014; 1600+ likes on Facebook from just 200 in 2014
- 150+ community events, presentations & seminars executed by the TravelSmart team

Activity and outcome report

Target Area 1: Strengthen relationships with Municipalities , Non-governmental Organizations (NGO's) and Corporate Partners through delivery of relevant Transportation Demand Management Programs	
Objectives	**Results**
Successfully launch a new TravelSmart municipal partnership in the City of Richmond	• Partnership proposal submitted to City of Richmond which was approved and adopted by Council in 2015 • 10 travel training sessions were provided for seniors, new immigrants and social agencies • Riverside Park workplace travel planning project underway • 7 Richmond schools participating in school travel planning programs • 50,000+ residents / visitors assisted with Compass outreach initiatives • City of Richmond was the first TravelSmart Memorandum of Understanding of its kind (signed by TransLink CEO & Richmond CAO)
Deliver Schools Leadership Program in the Cities of Surrey, Coquitlam and North Van	• Ten Surrey schools completed or started leadership projects through the Hub for Active School Travel (HASTe) for the City and TravelSmart in 2015 • Seven Coquitlam schools completed or started leadership projects through HASTe for the City and TravelSmart in 2015 • Three North Vancouver schools started leadership projects through HASTe for the City and TravelSmart in 2015
Hosting quarterly Regional TDM Roundtables	TransLink's TravelSmart program began hosting quarterly roundtable meetings with municipal staff showcasing, sharing and collaborating on TDM programs & initiatives. Subcommittees for schools and workplaces were also established
Expand and develop the TravelSmart municipal partnerships & relationships	The City of Richmond became the tenth municipal "official" TravelSmart partner. While all Metro Vancouver municipalities are supportive with TravelSmart initiatives, continued efforts in 2015 to develop TravelSmart partnerships include Vancouver, Port Moody, Burnaby and Delta
Major Event Concept	Developing partner initiatives with events (over 1,000 in Region annually) to support multi-modal travel initiatives, increase ridership, assist with cost neutrality / cost recovery and position positive brand reputation. TravelSmart team works collaboratively with municipalities to support open street events to provide communities a reason to celebrate urban life, reclaim streets and explore their cities in sustainable and active transportation. Example – Ciclovia, Car Free Days etc.

Target Area 2: Support Enterprise priorities through Outreach including; Compass, Service changes, Area transportation plans, Regional Transportation Strategy (RTS)	
Objectives	**Results**
Enhancing the customer experience and customer transition to Compass. Highly engaged TravelSmart team outreach and leveraged partner channels for Compass messaging.	• During the Compass vending machine activation, outreach teams were deployed along Canada Line Stations and SeaBus Terminals engaging and assisting over 100,000 customers, answering questions, hearing concerns and providing feedback to product teams • Working with various stakeholder groups such as school districts, businesses, Business Improvement Associations, new immigrant groups, seniors, tourism agencies and more to teach, encourage, educate and promote Compass • Host Compass 101 information sessions at Sapperton head office for stakeholder groups to learn about Compass
Support development of a TDM management strategy / scalability of program	Consultants engaged (SDG), TravelSmart, System and Strategic Planning groups to develop a report that will be used to inform future Travel Demand Management strategy arising from the Mayors' Vision with greater scalability focus
Target Area 3: Support Enterprise priorities through Outreach including; Service changes, Area transportation plans, Regional Transportation Strategy (RTS)	
Inform and promote service changes and infrastructure improvements	• Undertook Canada Line station canvassing to promote and educate on Compass • TravelSmart street team spoke to approximately 5,000 customers at various transit exchanges to promote the One Zone Bus changes • Supported the Riverside Industrial Park Transportation Management Association to achieve and celebrate multi-modal transportation options • Supported promotion and education of revised NightBus Services in partnerships with Business Improvement Associations, Bar Watch and Restaurant Associations. (Beverage coasters and posters created and distributed) • Service change announcement process set up to get messages through all TravelSmart communication partners
Support development of North East Sector and Southwest Area Transport Plans (ATP)	Provided TDM advice to the System Planning team in conjunction with the production of these ATPs (The Southwest ATP is the first of its kind to include multi-modal transportation considerations)

7 *Short-term Fares Assessed*

Short-term fares for bus, SeaBus, SkyTrain and HandyDART are shown in the table below.

Fare Type	Status	Time	Within 1-Zone	Within 2-Zones	Within 3-Zones
Cash	Adult	Regular	$2.75	$4.00	$5.50
		Off-Peak	All Zones — $2.75		
	Concession	Regular	$1.75	$2.75	$3.75
		Off-Peak	All Zones — $1.75		
Stored Value	Adult	Regular	$2.10	$3.15	$4.20
		Off-Peak	All Zones — $2.10		
	Concession	Regular	$1.75	$2.75	$3.75
		Off-Peak	All Zones — $1.75		
FareSavers (10 tickets)	Adult		$21.00	$31.50	$42.00
	Concession		One Zone — $17.50, Add-Fare required for additional Zones during peak periods.		
DayPass	Adult	No restrictions	$9.75 — valid all zones		
	Concession		$7.50 — valid all zones		

As of October 5, 2015, buses and HandyDART are 1-Zone, all day, every day.
West Coast Express operates on a different fare structure than other transit services.
Short-term fares for West Coast Express are shown in the table below.

Fare Type	Status	Within 1-zone	Within 2-zones	Within 3-zones	Within 4-zones	Within 5-zones
One-way Ticket	Adult	$5.50		$7.25	$9.00	$12.25
	Concession	$3.25		$4.25	$5.50	$7.50
One-way Ticket - Stored Value	Adult	$4.60		$6.05	$7.45	$10.20
	Concession	$2.70		$3.50	$4.60	$6.25
Return Ticket	Adult	$10.25		$13.75	$17.00	$23.00
	Concession	$6.25		$8.25	$10.50	$14.50

8 Borrowings Undertaken in 2015

8.1 Long-term Borrowing

TransLink continues to minimize debt costs through strategic borrowing strategies. During 2015, TransLink re-opened 2 bonds with a total par value of $150 million. There was no re-financing and no repayments of Municipal Finance Authority of BC (MFA) debt issues during the year. TransLink has now raised more than $1 billion from investors in the capital market since 2010.

The terms of TransLink's long-term debt issuance activity are detailed below:

Issue No.	Amount Borrowed (Note 1)	Coupon Rate (Note 2)	Remaining Term	Maturity Date	Semi-Annual Interest Payments	Principal due on maturity (Note 3)
TL-5 (re-opened Nov 20, 2015)	$85,000,000	3.05%	9.5 Years	04-June-2025	$1,296,250	$85,000,000
TL-4 (re-opened Nov 25, 2015)	$65,000,000	4.45%	28.5	09-June-2044	$1,446,250	$65,000,000

Note 1: Unsecured, par value.
Note 2: Coupon rate fixed to maturity. Effective yields: TL-5 reopen **2.92%,** TL-4 reopen **3.764%.**
Note 3: After the re-openings, the respective outstanding principal was: TL-5 $215,000,000 TL-4 $215,000,000.

8.2 Short-term Borrowing – via Commercial Paper Program

On May 13, 2010, TransLink launched a $500 million Commercial Paper Program backstopped with a line of credit from a syndicate of six Canadian chartered banks. Having this $500 million program available at favourable interest rates, compared to using a bank facility, provides flexibility in managing TransLink's cash flow needs.

Action	Deal #	Amount	Interest Rate (%)	Transaction Date	Maturity Date	Total Outstanding
Issue	140	$30,000,000	1.16931	08-Jan-15	12-Feb-15	$120,000,000
Repay	137	($30,000,000)		08-Jan-15		$90,000,000
Issue	141	$30,000,000	1.16931	15-Jan-15	19-Feb-15	$120,000,000
Repay	138	($30,000,000)		15-Jan-15		$90,000,000
Issue	142	$30,000,000	0.88718	22-Jan-15	26-Feb-15	$120,000,000
Repay	139	($30,000,000)		22-Jan-15		$90,000,000
Issue	143	$30,000,000	0.82451	12-Feb-15	19-Mar-15	$120,000,000
Repay	140	($30,000,000)		12-Feb-15		$90,000,000
Issue	144	$30,000,000	0.77229	19-Feb-15	26-Mar-15	$120,000,000
Repay	141	($30,000,000)		19-Feb-15		$90,000,000
Issue	145	$30,000,000	0.82451	26-Feb-15	02-Apr-15	$120,000,000
Repay	142	($30,000,000)		26-Feb-15		$90,000,000
Issue	146	$30,000,000	0.84540	19-Mar-15	23-Apr-15	$120,000,000
Repay	143	($30,000,000)		19-Mar-15		$90,000,000
Issue	147	$30,000,000	0.84540	26-Mar-15	30-Apr-15	$120,000,000
Repay	144	($30,000,000)		26-Mar-15		$90,000,000
Issue	148	$30,000,000	0.84540	02-Apr-15	07-May-15	$120,000,000
Repay	145	($30,000,000)		02-Apr-15		$90,000,000
Issue	149	$30,000,000	0.83495	23-Apr-15	28-May-15	$120,000,000
Repay	146	($30,000,000)		23-Apr-15		$90,000,000
Issue	150	$30,000,000	0.83495	30-Apr-15	04-Jun-15	$120,000,000
Repay	147	($30,000,000)		30-Apr-15		$90,000,000
Issue	151	$30,000,000	0.83495	07-May-15	11-Jun-15	$120,000,000
Issue	152	$30,000,000	0.84811	07-May-15	06-Aug-15	$150,000,000
Repay	148	($30,000,000)		07-May-15		$120,000,000
Issue	153	$60,000,000	0.83495	28-May-15	02-Jul-15	$180,000,000
Repay	149	($30,000,000)		28-May-15		$150,000,000
Issue	154	$60,000,000	0.84379	04-Jun-15	16-Jul-15	$210,000,000
Repay	150	($30,000,000)		04-Jun-15		$180,000,000
Issue	155	$30,000,000	0.83495	11-Jun-15	16-Jul-15	$210,000,000
Repay	151	($30,000,000)		11-Jun-15		$180,000,000
Issue	156	$30,000,000	0.84811	25-Jun-15	24-Sep-15	$210,000,000
Issue	158	$60,000,000	0.84811	02-Jul-15	01-Oct-15	$270,000,000

Action	Deal #	Amount	Interest Rate (%)	Transaction Date	Maturity Date	Total Outstanding
Issue	157	$30,000,000	0.83495	02-Jul-15	06-Aug-15	$300,000,000
Repay	153	($60,000,000)		02-Jul-15		$240,000,000
Issue	159	$90,000,000	0.58433	16-Jul-15	20-Aug-15	$330,000,000
Repay	155	($30,000,000)		16-Jul-15		$300,000,000
Repay	154	($60,000,000)		16-Jul-15		$240,000,000
Repay	152	($30,000,000)		06-Aug-15		$210,000,000
Repay	157	($30,000,000)		06-Aug-15		$180,000,000
Issue	160	$90,000,000	0.59477	20-Aug-15	24-Sep-15	$270,000,000
Repay	159	($90,000,000)		20-Aug-15		$180,000,000
Issue	161	$60,000,000	0.63653	24-Sep-15	29-Oct-15	$240,000,000
Repay	156	($30,000,000)		24-Sep-15		$210,000,000
Repay	160	($90,000,000)		24-Sep-15		$120,000,000
Issue	162	$60,000,000	0.64697	01-Oct-15	05-Nov-15	$180,000,000
Repay	158	($60,000,000)		01-Oct-15		$120,000,000
Issue	163	$60,000,000	0.72007	29-Oct-15	03-Dec-15	$180,000,000
Repay	161	($60,000,000)		29-Oct-15		$120,000,000
Issue	164	$60,000,000	0.72007	05-Nov-15	10-Dec-15	$180,000,000
Repay	162	($60,000,000)		05-Nov-15		$120,000,000
Issue	165	$60,000,000	0.74095	03-Dec-15	07-Jan-16	$180,000,000
Repay	163	($60,000,000)		03-Dec-15		$120,000,000
Issue	166	$60,000,000	0.74095	10-Dec-15	14-Jan-16	$180,000,000
Repay	164	($60,000,000)		10-Dec-15		$120,000,000

B. AUDITED FINANCIAL STATEMENTS

The 2015 Audited Financial Statements is attached as Appendix B.

C. COMPLAINTS SUMMARY

Corporate Overview

In 2015, TransLink's combined service hours for the Bus and Rail division (including HandyDART) remained consistent with 2014 at 6.81 million service hours. There was an increase in boarded passenger totals to 364 million, from 357 million in 2014.

Counter to the growth in boarded passenger totals, there was a decrease in transit service complaints by approximately 1.7 per cent to 35,710 from 36,323 in 2014. As a result, the ratio of *complaints per 1 million customer interactions* decreased to 97.8 from 98.8 in 2014.

One of the key reasons for the overall decrease in 2015 was fewer complaints in three categories that consistently generate large numbers of customer feedback: Staff (bus operators), Service Delivery, and Service Planning. Efforts undertaken during 2015 to address the issues in these areas included:

- Annual transit operator performance reviews were conducted for 100 per cent of all active employees. The reviews examined individual performance as well as efforts toward achieving corporate goals and improving customer experience.
- Each transit centre conducted a service review initiative called "one route per month" to resolve service issues and implement improvement strategies.
- A corporate working committee focused on scheduling and planning initiatives, reducing costs, improving schedule adherence and optimizing routes.

"*Complaints per million customer interactions*" is the broader Enterprise complaint measure. This represents the ratio of all complaints from across the Enterprise against the total number of Enterprise-wide customer interactions; allowing us to report out on our performance as a whole. For this measure, customer interactions are defined as: all transit trips taken on the system and the number of Golden Ears Bridge crossings. For 2015, Enterprise-wide complaints were 35.7 thousand against a total of 363 million customer interactions - resulting in a ratio of 97.8 complaints per million customer interactions compared to 98.8 for 2014, a reduction of one per cent year over year.

Table A

Corporate Summary	2015	2014	2013	2012
CMBC*	26,838	27,313	29,093	25,964
SkyTrain (Expo/Millennium Lines)*	2,692	3,219	2,761	2,425
SkyTrain (Canada Line)	340	325	425	438
West Coast Express	888	519	599	563
HandyDART	1,337	1,581	1,526	1,572
AirCare	n/a	152	164	249
Golden Ears Bridge	203	452	850	1,204
TransLink Corporate	3,412	2,762	3,781	2,756
Total Complaints	**35,710**	**36,323**	**39,199**	**35,171**
Total Customer Interactions**	**362,920,829**	**367,702,290**	**366,695,557**	**374,529,192**
Complaints per Million Customer Interactions	**97.8**	**98.8**	**106.9**	**93.9**

* In 2015, complaint totals for SkyTrain, Canada Line, and West Coast Express include customer requests for a refund related to ticket vending machine problems plus complaints about SkyTrain, Canada Line, and West Coast Express received through the Bus division. Figures for 2012 to 2014 have been restated for comparability.

**"Customer Interactions" include: all transit trips, Golden Ears Bridge crossings and AirCare tests (up to 2014)

Coast Mountain Bus Company

Coast Mountain Bus Company (CMBC) continued its focus on customer experience in 2015 through a continuation of many of the 2014 initiatives. As well, a corporate working committee was established to closely examine customer experience and determine ways to improve the experience. Some initiatives developed by the working group were implemented in 2015, while others have been incorporated into the 2016 CMBC business plan. Specifically:

- Annual transit operator performance reviews have continued for 100 per cent of all active employees. The reviews tie into their individual performance as well as their efforts toward achieving corporate goals and improving customer experience. The performance review discussions covered: reducing complaints, acknowledging commendations, personal attendance record, their own role in customer service and effect on delivery of service.
- CMBC also continued its "one route per month" initiative where a specific route from each transit centre is selected each month and focus is put on resolving service issues and complaints, and implementing improvement strategies for that route.
- Customer feedback is now incorporated into service review processes, which were traditionally focused on transit operator quality of work. The introduction of customer feedback provides another point of view in the process.
- Additional Compass training was delivered to front line staff in 2015. This training prepared the operators for the change in fare structure that was introduced in October and provided additional tools to enhance their customer service skills and knowledge around this important customer product.
- Priority return to training (PRTT) one-day refresher was offered to transit operators identified through the complaint investigation or one route per month initiative. This course covered refresher training on conflict resolution, customer interaction and professional driving skills.
- Employee briefing sessions were continued to improve awareness of accessible transit, customers with strollers and overall customer complaints.
- A new measurement was introduced to highlight the impacts of service adjustments that were made by transit supervisors and the Transit Communications group to keep the service running on time. The new measurement helps staff better assess the impacts to customers from service lost due to adjustments so they are able to make better decisions from their available options to adjust service.
- Additional training was also provided to supervisory staff to provide enhanced customer service tools and to enhance their understanding of the customer impacts of their decisions.

For CMBC, in 2015, slightly more than half (58 per cent) of the complaints involved staff (operators) and 42 per cent of complaints were related to service delivery. Although lower in 2015, these complaint category percentages are consistent to previous years.

All complaints are logged and assigned a priority code of P1 or P3. P1 complaints are urgent and in 2015, were all resolved within 48 hours. P3 complaints are less critical and must be resolved within 15 business days. Approximately 87 per cent of complaints were closed within 15 business days – a similar success rate as achieved last year. Approximately 99 per cent of all CMBC complaints received in 2015 were closed within the year.

British Columbia Rapid Transit Company

In 2015, complaint totals for SkyTrain, Canada Line, and West Coast Express included customer requests for refunds related to ticket vending machine problems plus complaints about SkyTrain, Canada Line, and West Coast Express received by another TransLink entity, such as Coast Mountain Bus Company. Figures for 2012 to 2014 have been restated for comparability.

SkyTrain — Expo and Millennium Lines

The number of SkyTrain complaints decreased 16 per cent in 2015 compared to 2014.

Customers' main areas of concern were ticket vending machine refunds, train delays and track noise. Ticket vending machine refund requests declined ten per cent in 2015. Two major service interruptions on October 24 and November 24 affected delay complaint totals.

Nearby residents along the system submitted concerns of track noise due to rail grinding maintenance on the Expo and Millennium lines to ensure rail reliability, preserve the rail and reduce track noise. Although the initial grinding showed reduction in the noise level throughout the system, further rail maintenance will be required to polish and restore a smooth track surface. This work will begin in the first quarter of 2016.

In January 2015, SkyTrain introduced an enhanced Mystery Shopper program. The program was redesigned to recognize exceptional service delivery by staff, through commendations from mystery shoppers. At the beginning of October 2015, Compass Vending Machines (CVM) were incorporated into the station assessments. Further modifications will be added to the program once the Compass system is in full operation, ensuring Compass aspects of our customers' experience are captured.

Customer satisfaction is a top priority for BCRTC and as part of enhancing customer communications, all train operators received professional voice announcements training and counselling from a local communications expert in 2015. As well, 61 Customer Service Attendants (CSA) were hired primarily to assist passengers with inquiries related to the Compass Card. CSAs also provided general customer service to many passengers and since their deployment in August 2015, we have received commendations for their assistance and professionalism.

In 2015, SkyTrain responded to and closed 93.4 per cent of complaints within 10 days, and 90.4 per cent in seven days.

SkyTrain - Canada Line

The number of Canada Line complaints received in 2015 showed a year-over-year increase of five per cent when compared to 2014. All categories showed a downward trend except for fares/TVM/CVMs.

In 2015 Compass continued to be rolled out in phases. Our customers experienced the full range of Compass benefits including the launch of U-Pass BC, new Compass Vending Machines, and the Compass website. As the number of Compass Cards dramatically increased over the months, our customers learned how to use the new system with the help of the new Customer Service Representatives (CSRs) assigned at each station. The assistance provided by the CSRs was overwhelmingly positive demonstrated by the record number of commendations received for customer service.

Major track work maintenance continued in 2015. Recognizing the incongruent requirements of the service plan and the limited time for maintenance work, the operator scheduled late evening single tracking. This plan not only offered a larger maintenance window but resulted in less impact to regular train service for the customers. In addition, the operator was in contact with CMBC to minimize the impact to connecting customers.

The Mystery Shopper program continues to provide real time information about various shops on the system. Any reported complaints from the shoppers that warranted immediate action was communicated to the operator for action and follow up.

West Coast Express

West Coast Express (WCE) complaints increased 71 per cent in 2015. The increase was almost exclusively a result of customer concern with service reliability related to a dramatic increase in CP Rail related delays, especially in the first quarter. On-time performance has historically averaged 97.7 per cent, and was 95.6 per cent for 2015. WCE received close to 200 complaints regarding reliability in January alone.

In June 2015, TransLink and WCE implemented the Compass system on commuter rail. For WCE customers, the switch to Compass also meant a change in fare products as 28-Day passes, weekly passes and the GO2 Card were replaced with Compass monthly and return passes and Stored Value options. With products changing, a challenge from a customer service point of view during transition was to prevent any overlap of old 28-Day passes with new monthly passes, which would have meant customers paying twice for the same time period. To allow pass holders to easily transition to Compass monthly passes, WCE offered to sell customers passes of varying time periods so that the pass would expire on the last day of the month allowing for a timely switch to the new Compass monthly passes. As a result, in-house sales soared in June, July and August. WCE did receive Compass related complaints during transition, but these were mostly related to misunderstandings of the new fare products and Compass requirements such as tapping in and out.

WCE's 20-year access agreement with CP Rail was due to expire in November 2015. After a year's negotiation, a new long-term agreement was reached in October.

WCE saw the number of complaints decrease as the year progressed, from 333 in the first quarter, to 241 in Q2, 190 in Q3, and 124 in Q4. WCE Customer Service resolved over 90 per cent of complaints within 24 hours. Complaints that require further assistance from other departments or parts of the organization can take up to seven days to resolve.

HandyDART

HandyDART complaint numbers improved greatly from 2014 to 2015. Driver-related complaints decreased by 26 per cent, accounting for 35 per cent of all complaints. This continual improvement in driver-related complaints can be attributed to the diligent follow-up after each complaint, combined with any required coaching provided by the HandyDART service provider, MVT Canadian Bus Inc. (MVT).

Service availability related complaints were reduced from 52 to 18 in 2015. This can be attributed to new internal efficiencies and processes that were implemented to reduce the number of trip denials to HandyDART customers. With denials at a record low in 2015, service availability complaints were reduced to one per cent of all complaints. The one area of complaints that did not see an improvement was taxi service related complaints. This was due to the growing number of trips provided by taxis, but also to the difference in service that HandyDART customers expect from taxi drivers, compared to other taxi customers. Relative improvement in taxi service can be seen in the fact that while the number of taxi trips provided grew by 34 per cent, taxi service related complaints only went up by 13 per cent.

Since the rate of complaints regarding taxi service is still much higher than on HandyDART vehicles, the HandyDART provider continued to work closely with the taxi companies to address these concerns to ensure each and every complaint received thorough follow-up with both the employee as well as the customer, be it a trip on a HandyDART vehicle or on a taxi. Training for taxi drivers continues to be provided by the taxi companies, and MVT provides their train-the-trainer program to all taxi companies as well. Further to this, the Vancouver Taxi Association has their own training called "Ask, Listen, Act," a training program specifically addressing service for people with disabilities.

HandyDART addresses complaints in the same manner and timeframe as CMBC: P1 within 48 hours and P3 within 15 business days. In actual practice, most complaints are responded to and closed with the customer within two days.

AirCare

The AirCare program ended December 31, 2014.

Golden Ears Bridge

Toll operations on the Golden Ears Bridge are contracted through agreement with toll operator V-Flow Tolling Inc. (V-Flow). Although the agreement does not require customer satisfaction surveys to be conducted and reported, V-Flow voluntarily performs customer satisfaction surveys by telephone throughout each month. In 2015, 6,528 customers were surveyed, giving an overall 'Completely Satisfied' annual average rating of 95 per cent.

The agreement sets monthly performance requirements regarding the number of complaints that are allowed, as follows:

- Written complaints are not to exceed two per one thousand accounts regarding the toll system and operations of the toll system.
- Complaints regarding data entry errors by the Toll Operator are not to exceed five per one thousand accounts.
- Telephone complaints are not to exceed five complaints per one thousand calls received about the toll system and operations of the toll system.
- Less than two accounts closed due to customer service dissatisfaction out of every 400 accounts closed with respect to the toll system and operations of the toll system.
- Total complaints are not to exceed 15 per one thousand customer contacts regarding the toll system and operations of the toll system.

Complaints are compiled and summarized by V-Flow. Most complaints are received and responded to immediately if received by telephone. Written complaints or complaints requiring written response are responded to within five business days.

Complaints received for Golden Ears Bridge in 2015 were 55 per cent lower than 2014.

Detailed Complaint Tables

Tables "B" and "C" show complaints received in 2015, 2014, 2013 and 2012. Table "B" reflects specific transit service complaints for the same period. Table "C" covers AirCare, Golden Ears Bridge and TransLink Corporate for the same period.

Table B

Complaints by Transit Service Type			2015	2014	2013	2012
CMBC*	**Bus 2015**	**HandyDART 2015**	**Total**	**Total**	**Total**	**Total**
Service Delivery	9,049	856	9,905	9,255	9,695	8,057
Service Planning	1,946	0	1,946	1,970	2,279	1,647
Staff	14,679	461	15,140	15,702	16,567	15,244
Website	20	0	20	57	162	288
Fares/ Fare Equipment	0	2	2	3	58	61
Cell Phone/Radio	55	0	55	47	40	52
Accessibility/Racks	132	0	132	172	209	355
Other	957	18	975	1,688	1,609	1,832
Subtotal	**26,838**	**1,337**	**28,175**	**28,894**	**30,619**	**27,536**

* (Includes SeaBus and Community Shuttle, plus the contracted services of Langley, New Westminster Community Shuttles and West Vancouver Transit)

Complaints by Transit Service Type 2015					2014	2013	2012
BCRTC	**SkyTrain Expo and Millennium Line**	**SkyTrain Canada Line**	**West Coast Express ****	**Total***	**Total**	**Total**	**Total**
System Schedule	73	6	605	684	192	210	275
Fares/TVM	1,070	243	78	1,391	1,609	1,472	1,381
Stations/Parkways	294	7	30	331	446	572	477
Trains	827	20	53	900	897	807	547
Customer Relations	361	51	63	475	707	569	631
Safety/Security	30	13	20	63	64	31	36
Other	37	0	39	76	148	124	79
Sub-Total	**2,692**	**340**	**888**	**3,920**	**4,063**	**3,785**	**3,426**
Total Complaints (CMBC + BCRTC)				**32,095**	**32,957**	**34,404**	**30,962**
Boarded Passengers (actual)				**364,261,259**	**356,929,763**	**355,160,383**	**363,162,913**
Complaints per Million Boarded Passengers				**88.4**	**92.3**	**96.9**	**85.3**

* In 2015, complaint totals for SkyTrain, Canada Line, and West Coast Express include customer requests for a refund related to a ticket vending machine problem plus complaints about SkyTrain, Canada Line, and West Coast Express received by another TransLink entity, such as Coast Mountain Bus Company. Figures for 2012 to 2014 have been restated for comparability.

** West Coast Express complaints prior to 2014 were reported under CMBC. Starting in 2014 they are reported under BCRTC.

Table C

Golden Ears Bridge	2015	2014	2013	2012
Customer Service	104	304	255	579
Toll System and Processes	5	24	121	370
Toll Charges and Payment	8	18	304	149
Miscellaneous	86	106	170	106
Total Complaints	**203**	**452**	**850**	**1,204**
Total Crossings*	**12,695,900**	**11,695,900**	**11,010,400**	**10,786,500**
Complaints per Million Crossings	**16**	**38**	**77**	**112**

* 2012-2014 has been restated to properly reflect billable crossings (excludes duplicate and out-of-province crossings).

TransLink Corporate	2015	2014	2013	2012
Policy-Related (Fares, service optimization, advertising, Compass, Fare gates, etc.)	**3,412**	**2,762**	**3,781**	**2,756**

Complaint Handling Through Social Media

In 2015, TransLink's main social media channels for handling complaints were Twitter, the Buzzer blog and Facebook.

Social media creates both an opportunity and a challenge for TransLink. Social media enables TransLink to respond almost instantly to customers, which is critical when there is a transit service disruption and customers need accurate service information quickly. Through social media, TransLink is able to quickly and effectively address issues directly with customers and indirectly with many others as customers re-broadcast TransLink's response. From a complaint management standpoint, this quick response time may minimize the number of complaints TransLink would normally receive. However, the volume of interactions and higher expectations for response, particularly during and after a major or prolonged service disruption, presents its own challenge. When complaints are made via social media, the protocol is to ask customers to log their complaints with our Customer Information department and to respond via social media as best as possible.

1) Twitter

Our @TransLink Twitter channel became permanently staffed in 2011 after the proven success of the 2010 social media pilot. Customers continue to enjoy quick replies to their transit service questions, which contributes to continued growth of the channel.

At the end of 2015, @TransLink had 87,147 followers. By comparison, at the end of 2014, @TransLink had 59,257 followers and 40,731 followers in 2013. We expect to reach 100,000 in 2016.

By year end, TransLink averaged roughly 150 tweets a day. This is a seven per cent increase from the volume experienced in 2014/2013.

In 2015, @TransLink became a verified Twitter account. This enables more flexibility and exposure for the account as well as prestige within the Twitter community.

2) Buzzer blog

The Buzzer blog serves as a place for long-form conversations about transportation in Metro Vancouver since 2008. The blog is part of TransLink's digital presence and is often accessed by links posted on our other social media properties. The Buzzer blog had a slight increase in readership over last year with 201,000 page views in 2015 compared to just fewer than 200,000 in 2014 and 2013. Compass Card, Reindeer Bus, bus fare changes, free transit day, and the Metrotown elevator were some of the most popular posts on the blog in 2015. There are usually three or more blog posts each week.

3) Facebook

TransLink's Facebook page continues to grow since its inception in 2010. The TransLink Facebook page is a place to communicate with our customers on transit-related information, share photos and videos, and provide information on major service changes. Like on Twitter, customers are asked to log complaints with Customer Information. By the end of 2015, the TransLink Facebook page had 17,338 followers compared to 11,325 in 2014 and roughly 9,000 at the end of 2013. There are usually three to four new posts on the page per week.

CUSTOMER SATISFACTION

2015 Customer Service Performance Ratings

Table D below summarizes the percentage of customers who gave good-to-excellent service ratings, which is defined as a rating of 8, 9, or 10 out of 10.

All Transit System and mode-specific attribute measures, including overall service, are based on asking the customers directly. In other words, overall service is not calculated mathematically from any of the specific service attributes - such as frequency or reliability.

The analysis is segmented into the following groups:

- Transit System (includes people who have ridden the bus, SeaBus or SkyTrain at least once within the last 30 days);
- Bus System (includes all CMBC bus service as well as West Vancouver Transit and contracted Community Shuttle service);
- SkyTrain (as of August 17, 2009 the SkyTrain segment includes the Canada Line);
- SeaBus;
- West Coast Express (normally, the survey is conducted twice a year, onboard the train service only and excludes TrainBus); and
- HandyDART (survey conducted once per year, by phone with registered HandyDART customers).

Data is from three sources:

- TransLink's Bus, SkyTrain, SeaBus Customer Service Performance Survey, which interviews adults who have ridden transit at least once within the last 30 days in Metro Vancouver. Interviews are conducted daily and by phone.
- TransLink's West Coast Express Customer Service Performance Survey, which is conducted twice per year (March and September) onboard the West Coast Express train. Surveys are partially administered by an interviewer, and may be completed by the individual.
- TransLink's HandyDART Customer Service Performance Survey, which is conducted once per year in the fall by phone and primarily with past month users of the service.

Customer Service Performance Summary for 2015 — Transit System, Bus, SeaBus, SkyTrain, West Coast Express and HandyDART

Transit System

In 2015, more than half of the transit riders (57 per cent) gave the system good-to-excellent scores of 8, 9 or 10 out of 10 for overall service. This is down slightly from last year (59 per cent), although unlike 2014 ratings, these have been relatively stable throughout the year. The overall rating remains lower than each of the ratings by mode.

The transit system service attributes that customers are most critical of include: the amount of transit information available at stops and stations and on board buses; as well as the number of bus shelters available throughout the region. Transit bus shelters are provided by the municipalities. Less than half of customers consistently rate these aspects of transit service as being good to excellent (8 or higher out of 10). However, half (48 per cent) of TransLink's customers feel they are getting good-to-excellent value for the money they spend on transit. This has been trending upward over the past few years (47 per cent in 2014 and 44 per cent in 2013).

Bus System

Six out of ten (62 per cent) bus riders rate the overall bus service provided in Metro Vancouver as good to excellent; this is very similar to 2014 (63 per cent).

The top three areas of bus service strength are: having an operator who drives safely and professionally, feeling safe from crime on board the bus, and having a direct route. Four-in-five riders gave scores of 8 or higher to these attributes.

Overcrowding, on-time reliability and frequency of service remain the three lowest-rated bus service attributes (48 per cent, 55 per cent, and 47 per cent respectively). Ratings for on-time reliability and frequency of service are both down over last year, while overcrowding remains stable.

SkyTrain

In 2015, 72 per cent of SkyTrain customers, which includes Canada Line, gave the overall service good-to-excellent scores. This is holding stable with 2014.

Overcrowding, although not the lowest-rated attribute, is an important area of SkyTrain service to monitor because of the relative impact that crowding has on customers' perceptions of the overall SkyTrain service. The rating however, has been holding steady (46 per cent) for the past three years.

SeaBus

SeaBus ratings, although still high, are trending lower than the past few years. Three in four SeaBus customers (78 per cent, versus 81 per cent in 2014) now rate the service as an eight or higher out of ten for overall service. However, there are no significant changes in SeaBus ratings when compared to 2014.

West Coast Express

West Coast Express always receives high scores from its customers with seven-in-ten (72 per cent) giving it good-to-excellent ratings for overall service. This however, is down from last year (84 per cent), as are many of the attributes of WCE service; most notably on-time reliable service (59 per cent, down from 86 per cent in 2014).

The drop this year may be due partly to a few mechanical issues with the trains and trees that fell on the tracks during high winds, but the most disruptive issues revolved around shared use of the track with CP Rail and their maintenance schedule. There was also a major fire at Port Metro Vancouver that closed down an entire evening of WCE service and also seriously affected the following morning's service.

HandyDART

HandyDART Service is a highly-rated transit service, with eight-in-ten riders (79 per cent) giving it good-to-excellent ratings for overall service. Most attributes continue to achieve very high ratings, including driver's skills to assist passengers who have a physical disability (94 per cent) and value for money (87 per cent).

Improvements have been seen this year in all three of HandyDART's lowest scoring attributes: service availability (76 per cent) and ease of booking a trip (75 per cent); both were up by 12 percentage points over last year, and on-time reliable service increased (73 per cent, up from 67 per cent last year).

Table D - 2015 Customer Service Performance Scores

Attributes	Transit system	Bus system	SkyTrain	SeaBus	West Coast Express	HandyDART
	Per cent who gave scores of 8, 9 or 10 out of 10					
Overall Service	57	62	72	78	72	79
Value for Money	48				51	87
Good Connections	46				53	
Adequacy of Transit Information — Stops/Stations	42					
Adequacy of Transit Information On-Board — Bus	42					
Adequacy of Transit Information On-Board-- SkyTrain	56					
Adequacy of Transit Information On-Board — SeaBus	52					
Transit Information Availability (On-Board and Stations)					63	
Operation of Service During Convenient Hours	48				40	
Having Enough Bus Shelters	32					
Ease of Contacting Telephone Information Clerk	65					
Ease of Navigating Website	55					
Having a Courteous Bus Operator/Having Courteous, Competent and Helpful Staff/Drivers		73	78	92	91	94
Safe and Professional Bus Operator		83				
Feeling Safe from Crime On Board the Bus / SkyTrain		81	77			
Feeling Safe from Crime at the Stop and Transit Exchange /Inside SkyTrain Stations / at SeaBus		76	71	80		
Feeling Safe from Crime (On-Board and Stations)					91	
Feeling Safe from Crime (WCE Parking Lots)					57	
Not Being Overcrowded		48	46	67	62	
On-Time, Reliable Service		55	78	89	59	73
Clean and Graffiti Free Buses / SkyTrain Cars / Vessel / Vehicles And Stations		72	71	86	92	
Having A Direct Route		79				
Trip Duration from the Time You Boarded to the Time You Got Off		73		84	80	
Frequency of Service		47	71	60	59	

Attributes	Transit system	Bus system	SkyTrain	SeaBus	West Coast Express	HandyDART
Staff Availability			34	65	77	
Delays Are Announced and Explained			29		57	
Enough Parking					45	
Equipment Provides a Safe Ride					89	
Driver's Skills to Assist Passengers Who Have a Physical Disability						94
Feeling Safe from Injury When Riding HandyDART						93
Ease of Booking a Trip on HandyDART						75
HandyDART Vehicle Cleanliness and Good Repair						89
Availability of HandyDART When Needed						76

Notes:

1. *As of August 17, 2009, the overall SkyTrain measures include Canada Line customers*
2. *Beginning in 2013, when rating the HandyDART service, customers were asked to focus on trips they made on traditional HandyDART vehicles.*
3. *Beginning in April 2008, the bus service attribute, courteous, competent and helpful bus operator was split into two attributes, "having a courteous bus operator" and "having an operator who drives safely and professionally".*

D. CHANGES TO ARTICLES OF THE AUTHORITY

There were no amendments to the Articles of the Authority in 2015.

E. BOARD SUMMARY

Date of Meeting/ Resolution	Type	Outcomes
January 22, 2015	Board of Directors	• Allocation of funds for Plebiscite approved as requested by Mayors' Council. • Bowen Island Community Shuttle Services Extension Agreement approved. • Board Committee structure and appointments approved.
February 4, 2015	Audit Committee	• The 2015 Business Plan, Operating and Capital Budget recommended for Board approval.
February 10, 2015	Board of Directors	• Appointment of Interim CEO approved.
February 16, 2015	Board of Directors	• 2015 Business Plan, Operating and Capital Budget approved. • Introductory rates on the West Coast Express Compass Monthly Passes approved.
March 26, 2015	Audit Committee	• The 2014 Audited Consolidated Financial Statements recommended for Board approval. • The 2014 Statutory Annual report recommended for Board approval and release to the Mayors' Council on Regional Transportation. • Enactment of *South Coast British Columbia Transportation Authority 2015 Property Tax Bylaw Number 98-2015*, recommended for Board adoption. • Enactment of *South Coast British Columbia Transportation Authority 2015 Replacement Tax Bylaw Number 99-2015*, recommended for Board adoption.
March 26, 2015	Risk and Capital Committee	• Enactment of *South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 100-2015*, recommended for Board adoption. • Corporation of Delta's request to remove the truck route designation on Ladner Trunk Road between Highway 17A and 72 Street and the amendment of Corporation of Delta's Highways Bylaw recommended for Board approval.
March 27, 2015	Human Resources and Governance Committee	• Public Input and Access to Board Reports recommended for Board approval. • Appointment of the Conduct Review Advisor recommended for Board approval.
March 27, 2015	Stakeholder Relations and Service Committee	• Discussion on Terms of Reference for the Committee. • Update on various Stakeholders Relations and Service matters.

Date of Meeting/ Resolution	Type	Outcomes
March 30, 2015	Board of Directors	• *South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 100-2015* adopted. • Corporation of Delta's request to remove the truck route designation on Ladner Trunk Road between Highway 17A and 72 Street and the amendment of Corporation of Delta's Highways Bylaw approved. • 2014 Audited Consolidated Financial Statements approved. • *South Coast British Columbia Transportation Authority 2015 Property Tax Bylaw Number 98-2015*, adopted. • *South Coast British Columbia Transportation Authority 2015 Replacement Tax Bylaw Number 99-2015*, adopted. • The 2014 Statutory Annual report and release to the Mayors' Council on Regional Transportation approved. • The Conduct Review Advisor appointed.
March 31, 2015	Risk and Capital Committee	• Status updates of various Major Capital Projects initiatives.
April 22, 2015	Board of Directors	• Pattullo Bridge Rehabilitation Specific Project Approval approved. • Executive Compensation Plan Committee established.
May 11, 2015	Board of Directors	• Implementation of a temporary single zone fare structure for buses and HandyDART approved. • *South Coast British Columbia Transportation Authority 2015 Tariff Bylaw Number 101-2015* adopted.
May 26, 2015	Audit Committee	• Discussion on first quarter 2015 Financial and Performance Results.
June 2, 2015	Board of Directors	• Discussion on upcoming Annual General Meeting.
June 23, 2015	Audit Committee	• 2014 report pursuant to the *Financial Information Act* recommended for Board approval.
June 23, 2015	Risk and Capital Committee	• Status updates of various Major Capital Projects initiatives.
June 24, 2015	Human Resources and Governance Committee	• TransLink Enterprise Privacy Policy recommended for Board approval.

Date of Meeting/ Resolution	Type	Outcomes
June 24, 2015	Stakeholder Relations and Service Committee	• Extension of the current Custom Transit Services for one additional year recommended for Board approval. • Operating Agreement with District of West Vancouver recommended for Board approval. • Bowen Island Community Transit Ltd Express Bus application as an independent transit service under Section 5 of the *South Coast British Columbia Transportation Authority Act* recommended for Board approval. • Continuation of the Fraser Health Authority Surrey Shuttle as an independent transit service recommended for Board approval.
June 25, 2015	Board of Directors	• TransLink response to Metro Vancouver's invitation to comment on the Township of Langley's application to amend *Metro 2040* to accommodate a proposed change in land use designation approved. • Bowen Island Community Transit Ltd Express Bus application as an independent transit service under Section 5 of the *South Coast British Columbia Transportation Authority Act* approved. • Continuation of the Fraser Health Authority Surrey Shuttle as an independent transit service approved. • Extension of the current Custom Transit Services contract for one additional year approved. • Operating Agreement with District of West Vancouver approved. • Filing 2014 report pursuant to the *Financial Information Act* approved. • Quarterly board meetings open to the public approved. • Subsidiary governance update approved. • TransLink Enterprise Privacy Policy approved. • New Acting CEO appointed.
June 28, 2015	Board of Directors	• New Executive Compensation Plan discussed.
July 30, 2015	Board of Directors	• *South Coast British Columbia Transportation Authority 2015 Tariff Bylaw Number 102-2015* adopted. • Appointment of operating subsidiary directors approved. • Changes in appointment of Board Chair approved.
August 27, 2015	Audit Committee	• Enactment of *South Coast British Columbia Transportation Authority 2015 Tariff Bylaw Number 103-2015* recommended for Board adoption.

Date of Meeting/ Resolution	Type	Outcomes
August 27, 2015	Board of Directors	• *South Coast British Columbia Transportation Authority 2015 Tariff Bylaw Number 103-2015* adopted. • TransLink response to Metro Vancouver's invitation to comment on an amendment to *Metro 2040* approved. • Changes to appointment of Audit Committee Chair approved.
September 23, 2015	Audit Committee	• Update of seven banking resolutions recommended for Board approval. • Amendment to the Omnibus Borrowing Resolutions recommended for Board Approval. • Issuance of 2015 long term bonds recommended for Board approval. • 2016 Value-Based Internal Audit Plan approved.
September 23, 2015	Risk and Capital Committee	• Disposition of property recommended for Board approval.
September 24, 2015	Human Resources and Governance Committee	• Update on various human resources matters.
September 24, 2015	Stakeholder Relations and Service Committee	• New Westminster River Market Shuttle application as an independent transit service under Section 5 of the *South Coast British Columbia Transportation Authority Act* recommended for Board approval.
September 25, 2015	Board of Directors	• Discussion on the Executive Compensation Plan.
September 25, 2015	Board of Directors	• New Westminster River Market Shuttle application as an independent transit service under Section 5 of the *South Coast British Columbia Transportation Authority Act* for the period October 1, 2015 to March 31, 2016 approved. • Update of seven banking resolutions approved. • Update on Borrowing Resolution approved. • Issuance of 2015 long term bonds approved. • Disposition of property approved.
September 28, 2015	Board of Directors	• Executive Compensation Plan approved.
October 22/27, 2015	Stakeholder Relations and Service Committee	• Discussion on Metro Vancouver Transportation and Governance Task Force.
November 6, 2015	Human Resources and Governance Committee	• Discussion on human resources items.

Date of Meeting/ Resolution	Type	Outcomes
November 6, 2015	Board of Directors	• Updates on governance and strategic partnerships.
November 18, 2015	Audit Committee	• Discussion of 2015 Financial and Performance Results as at September 30, 2015.
November 18, 2015	Board of Directors	• Discussion of human resources matters.
December 7, 2015	Audit Committee	• The 2016 Business Plan, Operating and Capital Budget recommended for Board approval. • Sixth Extension of Credit Agreement recommended for Board approval. • Contract with external auditor recommended for Board approval.
December 7, 2015	Risk and Capital Committee	• Enactment of *South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 104-2015* recommended for Board adoption.
December 8, 2015	Human Resources and Governance Committee	• Update on various human resources matters.
December 8, 2015	Stakeholder Relations and Service Committee	• Status reports on various Stakeholder Relations and Service Committee initiatives.
December 9, 2015	Board of Directors	• The 2016 Business Plan, Operating and Capital Budget approved. • Sixth Extension of Credit Agreement approved. • Enactment of *South Coast British Columbia Transportation Authority Major Road Network Bylaw Number 104-2015* approved. • 2016 Board Chair elected. • Coast Mountain Bus Company Director appointed. • External auditor selected.

F. FARE COLLECTION BYLAW

The current version of the Fare Collection Bylaw is shown below.

Definitions

1. In this regulation:

"Act" means the ***South Coast British Columbia Transportation Authority Act***;
"pass" means a record that the authority or a related party has issued or recognized as authorization for the person to whom it was issued to enter a fare paid zone or board a transit vehicle that is not a fare paid zone, and includes, without limitation, a transfer, a fare receipt, a monthly pass, any other time-limited pass and a payment card;
"payment card" means a record issued by the authority or a related party if the following apply:
(a) the person to whom the record is issued can, by paying money to the authority or a related party, create or increase a credit balance on the record;
(b) the credit balance on the record can be applied by the person to whom the record was issued towards any fare;
"surcharge date", in relation to a ticket, means the later of
(a) the date that is 180 days after the date of service of the ticket,
(b) if the person to whom the ticket was issued disputes his or her liability under the ticket in accordance with section 4, the date that is 31 days after the date on which a notice of decision in response to the dispute is provided to that person under section 4 (4), and
(c) if the person to whom the ticket was issued appeals his or her liability under the ticket in accordance with section 7, the date that is 7 days after the date on which a notice of decision in response to the appeal is provided to that person under section 7 (5);
"ticket" means a ticket issued under section 248 of the Act.

Description of infraction

2. Every word and phrase set out in Column 2 of Schedule 1 to this regulation is authorized to be used on a ticket to describe the infraction of contravening the provision of the Act referred to in Column 1 opposite that word or phrase.

Ticketed amounts

3. (1) For the contravention of a provision of the Act set out in Column 1 of Schedule 1 to this regulation,

(a) Column 2 of Schedule 1 sets out the description of the infraction for the purposes of section 2, and
(b) Column 3 of Schedule 1 prescribes the fine for the infraction.

(2) On the surcharge date applicable to a ticket, a surcharge of $40 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made before the surcharge date.
(3) On the date that is 366 days after the date of service of the ticket, an additional surcharge of $60 is added to and forms part of the ticketed amount if full payment of the ticketed amount is not made on or before that date.

Dispute process

4. (1) For the purposes of section 251 (1) of the Act, a person to whom a ticket has been issued may dispute his or her liability under the ticket

(a) within 14 days after the date of service of the ticket, or

(b) if the authority is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 14 day period to dispute liability under the ticket, within any longer period that the authority may, in writing, specify.

(2) To dispute liability under a ticket, the person to whom the ticket was issued must, within the dispute period referred to in subsection (1) of this section, provide to the authority, in accordance with subsection (3), a notice of the dispute

(a) identifying on which of the grounds set out in section 251 (1) of the Act the person is basing the dispute, and

(b) providing any information relevant to the dispute.

(3) A notice of dispute under subsection (2) of this section must be provided to the authority by

(a) mailing it to the head office of the authority, or

(b) providing it electronically in the manner set out on the authority's website.

(4) Within 30 days after receiving a notice of dispute under subsection (2), the authority must

(a) decide whether to confirm or cancel the ticket, and

(b) provide to the person who submitted the notice of dispute, in accordance with subsection (5), notice of that decision and the basis on which it was made.

(5) A notice of decision under subsection (4) must be provided to the person who submitted the notice of dispute by

(a) mailing the notice of decision to the postal address provided for that person in the notice of dispute, or

(b) emailing the notice of decision to the email address provided for that person in the notice of dispute.

Appeal period

5. (1) For the purposes of section 253 of the Act, a person who has disputed liability under a ticket in accordance with section 4 of this regulation and Division 3 of Part 12 of the Act may appeal liability under the ticket to an arbitrator

(a) within 30 days after the authority provided notice under section 4 (4) of this regulation of the authority's decision, or

(b) if the arbitrator is satisfied that, due to extenuating circumstances, the person was not reasonably able within that 30 day period to appeal liability under the ticket, within any longer period that the arbitrator may, in writing, specify.

(2) A request under subsection (1) (b) for an extension of time within which to appeal liability under a ticket must

(a) set out the reason why the person was unable to provide a notice of appeal within the 30 day period referred to in subsection (1) (a), and

(b) be provided to the authority by

(i) mailing the request to the head office of the authority, or

(ii) providing the request electronically in the manner set out on the authority's website.

(3) Promptly after receiving a request referred to in subsection (2), the authority must provide the request to the arbitrator.

(4) Within 14 days after receiving a request under subsection (3), the arbitrator must provide notice to the appellant and the authority as to whether an extension of time within which to appeal liability under the ticket has been granted and, if an extension is granted, indicate the date before which the notice of appeal must be provided to the authority.

Additional grounds for appeal

6. For the purpose of section 253 (c) of the Act, a person may appeal liability under a ticket on the ground that relevant information was not submitted in the dispute procedure.

Appeal process

7. (1) To appeal liability under a ticket, the person to whom the ticket was issued must, within the appeal period referred to in section 5 (1), provide to the authority, in accordance with subsection (2) of this section, a notice of appeal

    (a) identifying on which of the grounds set out in section 253 of the Act or section 6 of this regulation the person is basing the appeal, and
    (b) providing any information relevant to the appeal.

(2) A notice of appeal under subsection (1) must be provided to the authority by
    (a) mailing it to the head office of the authority, or
    (b) providing it electronically in the manner set out on the authority's website.

(3) Promptly after receiving a notice of appeal under subsection (2), the authority must provide the notice of appeal to the arbitrator who has the earliest availability.

(4) An arbitrator to whom a notice of appeal is provided under subsection (3) may request from the appellant or the authority any additional records or information that the arbitrator considers appropriate and may, in his or her sole discretion, authorize the appellant and the authority to provide the additional records or information to the arbitrator in one or more of the following manners:
    (a) in person;
    (b) in writing;
    (c) electronically.

(5) After receiving a notice of appeal under subsection (3), the arbitrator must
    (a) confirm or cancel the ticket, and
    (b) provide, in accordance with subsection (6), to
        (i) the person who submitted the notice of appeal, and
        (ii) the authority notice of that decision and the basis on which it was made.

(6) A notice of decision under subsection (5) must be provided to the person who submitted the notice of appeal by
    (a) mailing the notice of decision to the postal address provided for that person in the notice of appeal, or
    (b) emailing the notice of decision to the email address provided for that person in the notice of appeal.

Cancellation of tickets

8. If a ticket is cancelled under section 4 or 7 and some or all of the ticketed amount of the ticket has been paid to the authority, the authority must refund the amount paid.

Payment of fare

9. For the purposes of section 244 (1) (a) of the Act, a person may satisfy the requirement to pay the fare required by the tariff in any of the following manners:

(a) if a pass has been issued to the person and that pass is valid for application to the fare,

(i) if a device that can record the use of the pass has been installed or made available by the authority or a related party for the fare paid zone or transit vehicle, by using the pass in such a way that

(A) its use is recorded by the device, and

(B) if the pass is a payment card, the unpaid portion, if any, of the fare is debited from the pass, or

(ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that pass to that transit employee for inspection;

(b) if, under the tariff, another form of payment is authorized,

(i) if a device that can recognize that form of payment has been installed or made available for the fare paid zone or transit vehicle by the authority or a related party, by using that form of payment in such a way that

(A) its use is recorded by the device, and

(B) if applicable, the unpaid portion, if any, of the fare is debited from the form of payment, or

(ii) if there is no such device installed or made available by the authority or a related party for the fare paid zone or transit vehicle but there is a transit employee at the person's entry point to the fare paid zone or transit vehicle, by presenting that form of payment to that transit employee for inspection.

Proof of payment

10. To comply with section 244 (1) (b) of the Act in relation to a fare, a person must

(a) obtain and retain any receipt issued by the authority or a related party for the payment of that fare,

(b) if a pass that is valid for application to the fare is used, retain the pass, or

(c) if under the tariff another form of payment is authorized and that other form of payment is used, retain that form of payment and obtain and retain

(i) any receipt issued by the authority or a related party, and

(ii) any record in the person's power or control, whether in electronic form or otherwise, that confirms that the form of payment was used in payment of the fare.

Schedule 1

South Coast British Columbia Transportation Authority Act

Provision	Contravention	Fines
Section 244 (1) (a)	Fare evasion	$173
Section 244 (2)	Failure to produce	$173

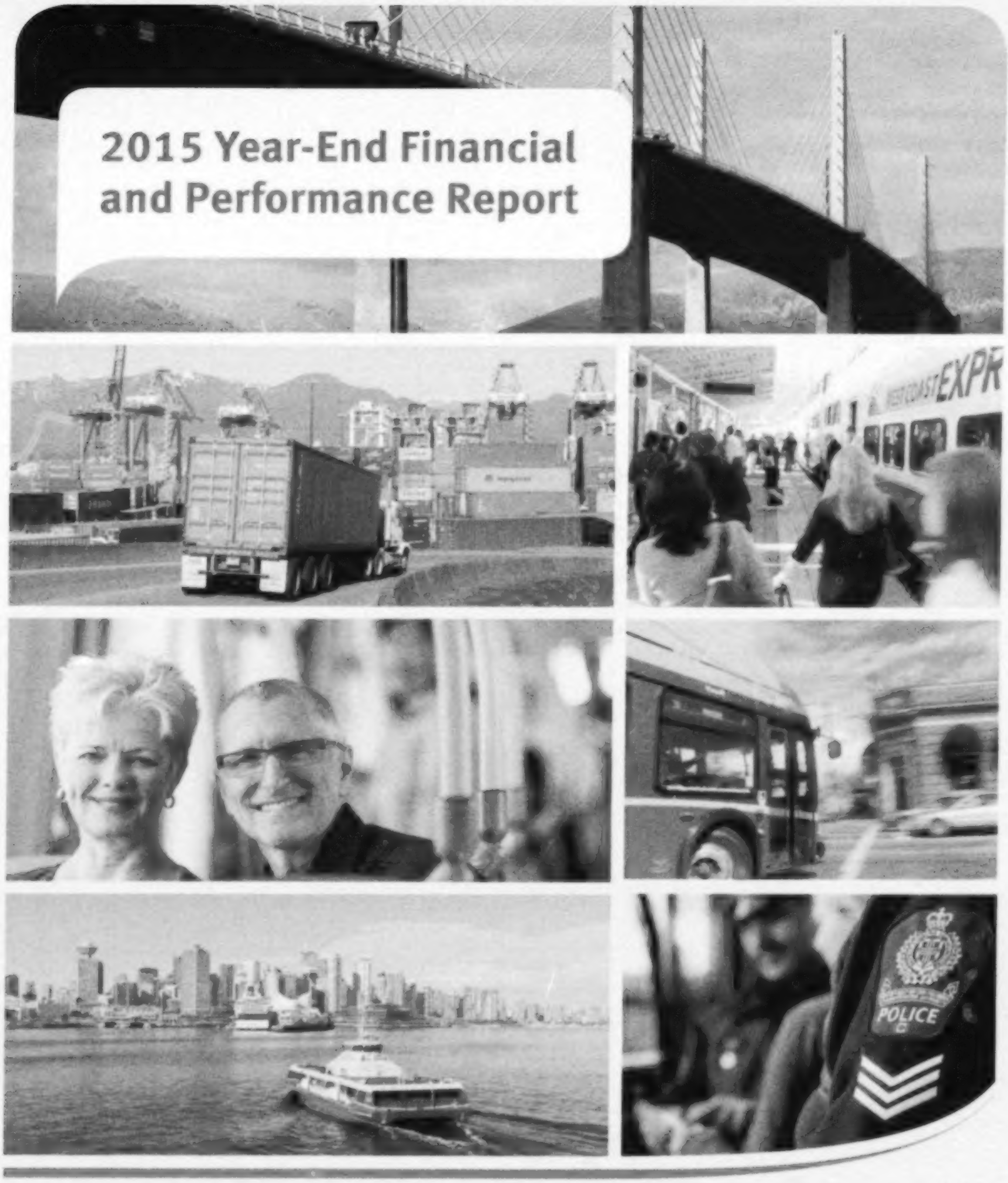
G. SECTION 248 TICKETS AND COLLECTIONS

The numbers of tickets issued and collected under Section 248 from January 1 to December 31, 2015 are represented in the table below.

	Tickets issued under Section 248 (number)	Collected ticket amounts ($)
January 1 to December 31, 2015	31,994	2,261,184

APPENDIX A

2015 Year-End Financial and Performance Report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POLICE

TRANSLINK

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Basis of Presentation

The consolidated financial statements of the Authority have been prepared in accordance with Canadian Generally Accepted Accounting Principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

One of TransLink's wholly owned subsidiaries, Transportation Property and Casualty Company Inc. (TPCC) is a captive insurance company which is required to follow International Financial Reporting Standards (IFRS). For consolidation purposes, TPCC is reported under the accounting standards of the parent entity.

Funding adjustments are the changes required to the Statement of operations to calculate the funded surplus under the *South Coast British Columbia Transportation Authority (SCBCTA) Act*. The cumulative funded surplus is defined as the amount of resources available to fund future operations.

Caution Regarding Forward-Looking Statements

From time to time, TransLink makes written and/or oral forward-looking statements, which may appear in this document and in other communications. In addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic, and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

1. Financial and Performance Summary

TransLink is unlike any other transportation authority in North America in having responsibility for the planning, financing and managing of all public transit, in addition to major regional roads and bridges. It plans and manages the region's transportation system as a strategic whole – creating and sustaining a transportation system that meets the needs of residents, businesses and goods movers in a manner that protects the environment and supports the economic and social objectives of the region.

We serve the people of this region, and our services are funded by their taxes and fares. It is our responsibility to deliver safe and reliable services, and to ensure that we spend those dollars wisely to minimize costs and maximize revenues.

The 2015 year, ended with a $200,000 funded surplus. This was $18.2 million favourable to budget. Key factors resulting in better than budget financial results include:

- Higher revenue mainly from Fuel Tax, Parking Rights Tax, Golden Ears Bridge Tolls and revenue from Adjacent and Integrated Development Properties;
- Lower costs for fuel and power due to lower market prices and consumption;
- Lower credit card Fees related to the roll out of Compass;
- Delayed timing of planned expenses for the roll out of Compass.

Partially affecting these were increased expenditures for Pattullo Bridge seismic design, Rapid Transit Studies, maintenance activity, and increased staffing in response to recommendations from the Independent SkyTrain review.

TransLink's three key priorities for 2015 include implementing Compass, enhancing SkyTrain operations and supporting the Metro Vancouver Transportation and Transit Plebiscite.

Highlights of 2015 priorities include:

1. **Compass** - *Continue to launch the program with a phased approach throughout 2015.*

   TransLink made significant progress in the roll out of Compass, beginning with the transition of the U-Pass for post-secondary students to Compass in January 2015; roll out to the first customers with West Coast Express in June; transition of the general public to Compass Tickets and Cards through the fall; and the beginning of faregate closures at stations in late 2015. These changes have been supported by months of customer education and outreach to help customers as they make the switch to Compass. By the end of December, the Compass system had over 350,000 Compass Cards issued and approximately 130,000 unique cards were tapped on the system each business day and 45 per cent of faregates were closed. Many of our customers have been excited about switching to Compass, and customer response has been generally positive, particularly about the convenience, security, and ease of use of the new system.

2. **SkyTrain Operations** – *Continue to enhance the resiliency and reliability of the transportation network.*

Independent review:
Transit operations are at the core of our mandate. Throughout 2015, TransLink continued to improve system resiliency to provide reliable service and sustain ridership.

TransLink and the British Columbia Rapid Transit Company (BCRTC) initiated action on all of the recommendations from the SkyTrain Independent Review. This work is planned over the next five years at an estimated cost of $89 million. Of the 20 recommendations, eight are complete, eleven are in progress, and one is in the development stage. As part of the service improvements, part-time SkyTrain attendants were hired and additional phone lines were added to the Customer Call Centre.

Investment in Infrastructure:
Several infrastructure improvement projects are currently underway, ultimately enhancing the resiliency and reliability of the transportation network and improving customers' experience. These include station upgrades at Joyce-Collingwood, Commercial-Broadway, New Westminster, and Metrotown SkyTrain stations, as well as improvements at associated bus exchanges.

The Main Street-Science World Station Upgrade was completed in August 2015. Improvements at this station have improved the transfer experience for passengers arriving by bus, made the station safer and increased the capacity for Expo Line ridership growth. The upgrades included: new entrances, new escalators, stairs and elevator to increase capacity and improve accessibility, better lighting and visibility for a safer and improved customer experience, and a new secure bike parkade.

With thousands of customers boarding our trains every day, we understand the impact maintenance work can have on our customers. Every effort was made to limit customer impacts while maintaining service, by informing our customers of potential impacts ahead of time and promptly responding to customer complaints and inquiries.

Evergreen Integration:
The Evergreen Extension is the next major expansion of the rail network and is expected to increase ridership and accessibility to the transit system and improve customers' experience. In 2015 we continued to develop a system and service integration plan to address customer impacts, including the integration with the existing bus service once the Evergreen Extension is in operation.

3. **Metro Vancouver Transportation and Transit Plebiscite** - *Support the Mayors' Council efforts to achieve a positive outcome ('Yes' vote) in the plebiscite.*

Although the outcome of the Metro Vancouver Transportation and Transit Plebiscite was a "no" vote, TransLink continued to build relationships with stakeholders. We took steps toward securing senior government funding for the major investments that are part of the Mayors' Council Vision. We moved forward with work on developing three major transportation projects: in South of the Fraser Rapid Transit, the Millennium Line Broadway Extension and the Pattullo Bridge replacement.

TransLink continues to implement cost savings measures where feasible. From 2012 to 2015, TransLink saved $320 million which included $79 million in 2015 by cutting costs and implementing revenue-increasing efficiencies. The items listed below are just a few examples of these measures:

- Saved $120 million through cuts to administration and operating costs.
- Achieved $61 million in revenue through bus service productivity and service optimization.
- Achieved more than $25 million in transportation infrastructure improvements at no cost to tax payers.
- Saved more than $33 million by cutting cost for buying goods and services.
- Saved $29 million through bus scheduling and labour efficiencies.

In addition, TransLink's efforts to increase non-transit revenues have resulted in additional revenues including; Adjacent and Integrated Development projects, parking and rides, and leasing.

Strong fiscal management of public funds continues to support TransLink's success. In 2015, Moody's Investors Service and Dominion Bond Rating Service (DBRS) reaffirmed TransLink's Aa2 and AA stable credit ratings.

In 2015 TransLink raised $150 million in bond issuances to help finance the purchase of capital assets.

2. 5 Year Summary

Year ended December 31 (all numbers in millions or per unit, except as otherwise stated)	2011	2012	2013	2014	2015	COMPARISON TO 2014 Fav/ (Unfav)	COMPARISON TO 2014 %	Compound Annual Growth Rate (CAGR)
FINANCIAL PERFORMANCE								
Funded Revenue	1,191.6	1,285.4	1,307.1	1,318.4	1,367.0	48.6	3.7%	3.5%
Funded Expenses	1,225.8	1,278.3	1,259.2	1,295.9	1,366.8	(70.9)	(5.5%)	2.8%
Funded surplus (deficit) for the year	(34.2)	7.1	47.9	22.5	0.2	(22.3)	(99.1%)	
FINANCIAL INDICATORS								
Cumulative funded surplus [1]	287.7	294.8	342.7	365.2	365.4	0.2	0.1%	6.2%
Tangible capital assets	4,426	4,386	4,451	4,512	4,607	95	2.1%	1.0%
Net direct debt [2]	1,859	1,914	1,913	1,933	1,990	(57)	(2.9%)	1.7%
Indirect P3 debt [3]	1,686	1,675	1,664	1,647	1,623	24	1.4%	(0.9%)
Total net direct debt and indirect P3 debt	3,544	3,589	3,577	3,580	3,613	(33)	(0.9%)	0.5%
Gross interest cost as a % of operating revenue	14.5%	14.3%	13.3%	13.1%	12.4%	0.7%	5.3%	(3.9%)
OPERATING INDICATORS								
Population of service region	2.4	2.4	2.4	2.5	2.5	0.0	1.3%	1.4%
Scheduled Transit Service								
Overall performance rating (out of 10)	7.6	7.7	7.6	7.6	7.5	(0.1)	(1.3%)	(0.3%)
Service hours	6.3	6.3	6.2	6.3	6.3	(0.0)	(0.0%)	(0.2%)
Cost recovery ratio	51.8%	51.7%	55.6%	53.4%	51.8%	(1.6%)	(3.0%)	(0.0%)
Operating cost per capacity kilometre *[4]	$ 0.075	$ 0.078	$ 0.079	$ 0.082	$ 0.084	$ (0.002)	(2.8%)	3.0%
Complaints per million boarded passengers *[5]	93.4	88.9	103.6	96.0	94.2	1.9	2.0%	0.2%
Access Transit Service								
Number of trips (000's)	1,211	1,209	1,181	1,169	1,205	36	3.1%	0.0%
Operating cost per trip*	$ 37.62	$ 38.56	$ 39.91	$ 40.30	$ 40.64	$ (0.34)	(0.8%)	1.9%
Number of trips denied (000's)	18.2	37.7	42.4	16.9	1.6	15.3	90.4%	(45.4%)
Complaints per million boarded passengers*	913.4	1,037.8	1,045.2	1,079.7	997.4	82.3	7.6%	2.2%
Golden Ears Bridge								
Crossings [6]	9.8	10.8	11.0	11.7	12.7	1.0	8.6%	6.7%
Average toll per crossing *[7]	$ 3.36	$ 3.45	$ 3.29	$ 3.60	$ 3.65	$ 0.05	1.4%	2.1%
Ridership								
Boarded passengers (system)	356.2	363.2	355.2	356.9	364.3	7.3	2.1%	0.6%
Revenue passengers (system)	233.3	238.8	233.9	234.6	238.8	4.2	1.8%	0.6%
Average fare per revenue passenger (scheduled)*	$ 1.86	$ 1.88	$ 2.06	$ 2.05	$ 2.06	$ 0.01	0.5%	2.6%

* Per unit calculation

[1] Cumulative funded surplus as calculated under the SCBCTA Act is the amount of resources available to fund future operations

[2] Includes debt as per the balance sheet, net of TransLink sinking funds and debt reserve deposits

[3] Includes Deferred concessionaire credit for Canada Line and Contractor liability for Golden Ears Bridge

[4] Includes operating costs of Bus, SeaBus, Expo & Millennium line, Canada Line, West Coast Express and Police, and excludes depreciation and interest expense

[5] Complaints have been restated to include refund requests related to ticket vending machine transactions

[6] 2012 2014 has been restated to properly reflect billable crossings (excludes duplicate and out of province crossings)

[7] Average toll per crossing has been restated to exclude interest on outstanding accounts and allowance for doubtful accounts

Financial Performance

TransLink's funded revenues have grown at a Compound Annual Growth Rate (CAGR) of 3.5 per cent since 2011, while funded expenses have grown at 2.8 per cent over the same five year period.

Capital assets increased from $4.4 billion in 2011 to $4.6 billion in 2015, a CAGR increase of 1.0 per cent. Compared to 2014, capital assets increased $94.6 million due to additions in SkyTrain systems and infrastructure, information systems and lease buy out of 28 West Coast Express rail cars.

Net Direct debt increased by a CAGR of 1.7 per cent to fund Capital Projects. Indirect Public-Private Partnership (P3) debt which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, declined $63 million over five years, or a CAGR of 0.9 per cent per year. Net direct debt increased $56.9 million (2.9 per cent) over 2014 due to additional borrowing to finance capital spending. Indirect P3 debt, declined by $23.7 million (1.4 per cent) in 2015 due to the amortization of the Canada Line deferred concessionaire credit.

Gross interest costs as a percentage of operating revenues decreased by a CAGR of 3.9 per cent over the five year period due to lower interest rates and higher operating revenues. Compared to prior year, TransLink's gross interest costs as a percentage of operating revenues decreased by 0.7 per cent. This is well within TransLink's 20 per cent policy limit.

Operating Performance

Scheduled Transit Service

Overall performance which measures customer's satisfaction with the entire system, decreased by a CAGR of 0.3 per cent over the five year period due to factors such as; impact of fare increase in 2013, SkyTrain service disruptions in 2014, and West Coast Express customer concerns with service reliability related to an increase in CP Rail related delays in 2015. The overall performance rating peaked at 7.7 out of 10 in 2012 before showing slight decline. Service hours were relatively constant over the 5 year period.

The cost recovery ratio which measures the percentage of transit operating costs covered by transit revenues, returned to 2011 levels in 2015, at 51.8 per cent. The cost recovery ratio was 1.6 per cent lower than 2014 due to slower growth in fare revenues than expenses.

Complaints per million boarded customers decreased two per cent in 2015 over 2014 and increased by a CAGR of 0.2 per cent over the last five years. Complaints were higher in 2013 which was largely related to the fare increase implemented in that year.

Operating costs per capacity kilometre increased by a 3.0 per cent CAGR due to inflationary increases, while the total capacity kilometers remained constant over the five year period. Operating costs per capacity kilometre was 2.8 per cent higher than 2014 for the same reasons.

Access Transit Service

The number of Access Transit trips has remained relatively constant over the last five years. An additional 35,927 trips were delivered in 2015 as compared to 2014. A large portion of this is due to increased use of taxis and efforts to improve the productivity of the HandyDART service.

Operating costs per trip increased by a 1.9 per cent CAGR over the five year period due to inflation and added technologies such as Interactive Voice Recognition (IVR) calls and Mobile Data Terminals (MDT's) on HandyDART vehicles. Operating cost per trip increased 0.8 per cent compared to 2014 due to contractual operating agreement increases.

Trip denials declined as a result of an increase in the number of taxi trips delivered.

Complaints per million boarded passengers saw a significant decrease over 2014 of 7.6 per cent, but have seen an overall increased CAGR of 2.2 per cent over the last five years mainly due to an increase in the number of taxi trips. Taxi related complaints were higher than HandyDART vehicle related complaints. Thorough follow-up on all complaints continues to be the goal.

Golden Ears Bridge

Crossings have grown at a CAGR of 6.7 per cent since 2011 which could be attributed to development in the surrounding area and a general increase in Vehicle Kilometres Travelled in the region. The average toll per crossing has increased a CAGR of 2.1 per cent per year since 2011, the majority of which can be attributed to annual inflationary increases and fewer drivers taking advantage of discounted rates.

Ridership

Both revenue and boarded passengers have grown at a CAGR of 0.6 per cent since 2011. With no infrastructure or service investments since 2010, TransLink has endeavoured to optimize service and implement operational efficiencies to meet demand. These initiatives have resulted in a consistent year over year increase in the number of boarded passengers per service hour over the five year period. However, to keep up with the average annual population growth of 1.4 per cent per year, additional investment in scheduled service hours is required.

Ridership increased in 2015, up 2.1 and 1.8 per cent for boarded and revenue passengers respectively over 2014. The South of Fraser continued a trend of strong growth in annual boardings with a five per cent increase. We are also able to serve more customers in growing areas, as benefits from our investments in services across the region are realized. For example, ridership continues to grow significantly on the 555, 96 B-Line and 188 routes since their introductions in 2012 and 2013; and on the 41 where reallocation of service hours in 2014 has resulted in reduced overcrowding despite rising demand. We are continuing our program of service optimization. Other factors likely affecting ridership growth include population growth, rising tourism, single zone fares on buses and the free transit day offered due to the SkyTrain shutdown in summer 2015.

The average fare per scheduled revenue passenger increased an average CAGR of 2.6 per cent over the five year period mainly due to the fare increase in 2013. The average fare per revenue passenger increased 0.5 per cent over 2014 due to the mix of products sold. Customers are shifting to purchasing FareSavers, Stored Value and Day Passes that yield a lower discount than Monthly Passes, but provide greater flexibility.

3. *Consolidated Statement of Operational Analysis*

Consolidated Revenues – Comparison to 2014

Year ended December 31	ACTUAL		COMPARISON TO 2014	
($ thousands)	2015	2014	Fav/ (Unfav)	%
Taxation	772,722	744,157	28,565	3.8%
Transit	511,445	495,609	15,836	3.2%
Government transfers	228,943	90,291	138,652	153.6%
Golden Ears Bridge tolling	48,444	41,623	6,821	16.4%
Interest income	34,381	34,739	(358)	(1.0%)
Amortization of deferred concessionaire credit	23,273	23,273	-	0.0%
Miscellaneous	6,102	5,576	526	9.4%
Sub Total Continuing Operations	1,625,310	1,435,268	190,042	13.2%
AirCare	-	12,047	(12,047)	(100.0%)
Gain on disposal of tangible capital assets	2,340	6,437	(4,097)	(63.6%)
Total Revenue	**1,627,650**	**1,453,752**	**173,898**	**12.0%**
Funding Adjustments				
Remove effect of AirCare	-	(12,047)	12,047	(100.0%)
Government transfers	(207,354)	(70,259)	(137,095)	195.1%
Interest income	(30,031)	(29,743)	(288)	1.0%
Amortization of deferred concessionaire credit	(23,273)	(23,273)	-	0.0%
Total Funding Adjustments	(260,658)	(135,322)	(125,336)	92.6%
Total Funded Revenue	**1,366,992**	**1,318,430**	**48,562**	**3.7%**

The *SCBCTA Act* provides TransLink with access to revenue sources that are used to fund the provision and support of transportation services. Total funded revenues were $1.37 billion in 2015 compared to $1.32 billion in 2014, representing a 3.7 per cent increase.

Taxation

Year ended December 31 ($ thousands)	ACTUAL 2015	 2014	COMPARISON TO 2014 Fav/ (Unfav)	 %
Fuel tax	356,834	340,104	16,730	4.9%
Property tax	314,659	306,578	8,081	2.6%
Parking Rights tax	63,334	59,971	3,363	5.6%
Hydro levy	20,065	19,572	493	2.5%
Replacement tax	17,830	17,932	(102)	(0.6%)
Total Taxation	**772,722**	**744,157**	**28,565**	**3.8%**

Under the *SCBCTA Act*, TransLink is permitted to raise revenues by means of taxes, including fuel tax, property tax, parking rights tax, hydro levy, and replacement tax. Taxation revenues for 2015 were $28.6 million (3.8 per cent) higher than in 2014.

Fuel tax revenue increased $16.7 million (4.9 per cent) to $356.8 million in 2015 from $340.1 million in 2014. Taxation revenues from gasoline sales account for the majority of total fuel tax revenue. Gasoline sales volumes as reported by the Province of BC's Consumer Taxation Branch (CTB) for the Metro Vancouver region convey a year over year increase of 6.0 per cent. The increase in gasoline sales volumes is offset by a decline in diesel sales. The increase in gasoline consumption is consistent with province-wide trends and independent market reports. Low crude oil prices and a weaker Canadian dollar, are two possible reasons for increased Vehicle Kilometres Travelled (VKT) within the region.

Property tax revenue increased by $8.1 million (2.6 per cent) over 2014, which is consistent with the legislated maximum of three per cent annually, net of an allowance for adjustments when tax rolls are finalized.

Parking Rights tax revenue increased by $3.4 million (5.6 per cent) over 2014. Increased Vehicle Kilometres Travelled (VKT) in the region and specific events such as the 2015 FIFA Women's World Cup may have contributed to the increase in parking tax revenue in 2015.

Replacement tax decreased $102 thousand compared to 2014. The legislated amount for replacement tax is $18 million per year.

Transit

Year ended December 31 ($ thousands)	ACTUAL 2015	 2014	COMPARISON TO 2014 Fav/ (Unfav)	 %
Fares	387,888	378,229	9,659	2.6%
Program	104,490	100,813	3,677	3.6%
Total Fares	492,378	479,042	13,336	2.8%
Other transit	19,067	16,567	2,500	15.1%
Total Transit	**511,445**	**495,609**	**15,836**	**3.2%**

Transit revenues, consisting of transit fares, program revenues and other related revenues such as transit advertising and fare infractions, increased to $511.4 million in 2015 from $495.6 million in 2014, an increase of $15.8 million (3.2 per cent).

Transit fares increased $9.7 million (2.6 per cent) compared to 2014 due to increased ridership and changing patterns in fare product purchases. In 2015, customers purchased more FareSavers over Monthly Passes. FareSavers provide greater flexibility but a lower discount.

Program revenue increased $3.7 million (3.6 per cent) over 2014. Program revenue includes the U-Pass BC program and the BC Bus Pass program. U-Pass BC revenues increased $1.8 million due to a contractual rate increase in May. The balance of the increase is due to an adjustment included in 2014 for the BC Bus Pass program.

Other Transit Revenue was $2.5 million (15.1 per cent) higher than 2014 due to continued focus on obtaining commercial value from real estate assets through rentals, advertising, wireless telecommunication royalties, Park & Ride programs, and increased fare infraction revenue resulting from fare enforcement efforts to reduce fare evasion.

Government Transfers

Transfers from Government include funds received from Federal Gas Tax, Canada Line Funding, Build Canada Fund, Public Transit Fund, and other miscellaneous programs. The total revenue from these funds were $138.7 million (153.6 per cent) higher than 2014. The variance is due to a required change in accounting treatment related to a new agreement with the Union of British Columbia Municipalities (UBCM), for Federal Gas Tax Funds signed in August 2015. Generally Accepted Accounting Principles for public sector requires that the funds received must now be recorded as revenue at the time the funds are spent. Previously, the contract required the assets to be held for at least ten years and the funds received were then recorded as revenue over that ten year period. This change also resulted in an adjustment for the April to December 2014 period totaling $44 million which is reflected in the 2015 revenue according to the PSAB Accounting Standards.

Of the total variance, $127 million is due to the change in revenue recognition criteria. The remaining variance is primarily due to increased capital project expenditures from the Federal Gas Tax Fund.

Golden Ears Bridge Tolling

Golden Ears Bridge (GEB) tolls increased by $6.8 million (16.4 per cent) over 2014 to $48.4 million. The increase is due to an 8.6 per cent increase in vehicle crossings which is consistent with overall trends in Vehicle Kilometres Travelled (VKT) in Metro Vancouver, a 1.4 per cent increase in the average toll rate due to the bylaw inflationary rate increase, a change in vehicle mix and increased interest accrued on delinquent Quickpass accounts.

Interest Income

Interest income was $358,000 (1.0 per cent) lower than 2014 due to lower unrestricted cash balances and lower interest rates offset by higher sinking fund balances.

Miscellaneous Income

Miscellaneous income increased $526,000 (9.4 per cent) over 2014 as a result of Adjacent and Integrated Development (AID) projects. TransLink has recently implemented new non-taxation revenue sources such as AID projects. With AID projects, TransLink receives financial compensation from developers who build infrastructure adjacent to SkyTrain stations.

AirCare

In accordance with the provincial government's May 2012 announcement, the AirCare program for testing light cars and trucks was eliminated on December 31, 2014.

Gain on disposal of assets

Disposal of assets were $4.1 million lower compared to 2014, due to fewer dispositions.

Funding Adjustments

Funding adjustments are the changes required to the income statement to calculate the cumulative funded surplus under the *South Coast British Columbia Transportation Authority Act*. The cumulative funded surplus is defined as the amount of resources available to fund future operations. The funding adjustments for revenue reflect all senior government contributions for capital assets and the amortization associated with those assets, interest income from sinking fund balances, and amortization of deferred concessionaire credit.

The variance year over year is largely due to the change in accounting treatment for Federal Gas Tax Funds.

Consolidated Revenues – Comparison to Budget

Year ended December 31 ($ thousands)	2015 ACTUAL	 BUDGET	COMPARISON TO BUDGET Fav/ (Unfav)	 %
Taxation	772,722	756,456	16,266	2.2%
Transit	511,445	519,214	(7,769)	(1.5%)
Government transfers	228,943	98,992	129,951	131.3%
Golden Ears Bridge tolling	48,444	43,580	4,864	11.2%
Interest income	34,381	33,353	1,028	3.1%
Amortization of deferred concessionaire credit	23,273	23,337	(64)	(0.3%)
Miscellaneous	6,102	3,489	2,613	74.9%
Sub Total Continuing Operations	1,625,310	1,478,421	146,889	9.9%
Gain on disposal of tangible capital assets	2,340	9,388	(7,048)	(75.1%)
Total Revenue	**1,627,650**	**1,487,809**	**139,841**	**9.4%**
Funding Adjustments				
Government transfers	(207,354)	(79,766)	(127,588)	160.0%
Interest income	(30,031)	(29,116)	(915)	3.1%
Amortization of deferred concessionaire credit	(23,273)	(23,337)	64	(0.3%)
Total Funding Adjustments	(260,658)	(132,219)	(128,439)	97.1%
Total Funded Revenue	**1,366,992**	**1,355,590**	**11,402**	**0.8%**

Total Funded revenues was $11.4 million (0.8 per cent) higher than budget due to increase in taxation and toll revenue and miscellaneous income related to other revenue generating programs such as Adjacent and Integrated Development programs (AID), slightly offset by lower fare revenue and timing of planned disposal of assets.

Taxation

Year ended December 31 ($ thousands)	2015 ACTUAL	 BUDGET	COMPARISON TO BUDGET Fav/ (Unfav)	 %
Fuel tax	356,834	344,111	12,723	3.7%
Property tax	314,659	314,095	564	0.2%
Parking Rights tax	63,334	60,235	3,099	5.1%
Hydro levy	20,065	20,015	50	0.2%
Replacement tax	17,830	18,000	(170)	(0.9%)
Total Taxation	**772,722**	**756,456**	**16,266**	**2.2%**

Fuel tax revenue was $12.7 million (3.7 per cent) higher than budget. Low crude oil prices and a weaker Canadian dollar, are two possible reasons for increased VKT within the region. The degree to which both of these external factors continued to decline throughout the year was not fully anticipated in the 2015 budget.

Parking Rights tax revenue was $3.1 million (5.1 per cent) higher than budget. Increased VKT in the transit region and specific events such as the 2015 FIFA Women's World Cup are most likely to have contributed to better than expected revenue.

Transit

Year ended December 31 ($ thousands)	2015 ACTUAL	 BUDGET	COMPARISON TO BUDGET Fav/ (Unfav)	 %
Fares	387,888	395,083	(7,195)	(1.8%)
Program	104,490	107,315	(2,825)	(2.6%)
Total Fares	492,378	502,398	(10,020)	(2.0%)
Other transit	19,067	16,816	2,251	13.4%
Total Transit	**511,445**	**519,214**	**(7,769)**	**(1.5%)**

Transit revenues, including fares and other transit related revenues were $7.8 million (1.5 per cent) below budget.

Transit fare revenues were $7.2 million (1.8 per cent) below budget due to lower than budgeted ridership, as well as increased utilization of discounted products.

Program revenues were $2.8 million (2.6 per cent) below budget due to lower Government Bus Pass Program participants and lower post-secondary enrollments which affect U-Pass BC Program participation.

Other transit revenues were 2.3 million (13.4 per cent) higher than budget as a result of increased commercialization of real estate assets through rentals and park & ride programs. Fare Infraction revenues increased as a result of increased fare enforcement initiatives.

Transfers from Government

Government transfers were $130 million (131.3 per cent) higher than budget as a result of two factors - a change in revenue recognition criteria for the transfer of Federal Gas Tax funds (as described in the *Comparison to 2014* section above), and the timing of capital project expenditures resulting in greater Gas Tax revenues. $127 million is due to the change in revenue recognition criteria. The remaining $3 million variance is a result of increased capital project expenditures.

Golden Ears Bridge Tolls

Tolling revenues were $4.9 million (11.2 per cent) higher than budget resulting from 7.8 per cent higher vehicle crossings than expected, and additional interest revenue from delinquent Quickpass accounts.

Interest Income

Interest income was $1.0 million (3.1 per cent) higher compared to budget, due to higher rates and balances for sinking funds.

Miscellaneous Income

Miscellaneous income was $2.6 million (74.9 per cent) higher than budget mainly resulting from AID projects and Bus Division third party recoveries. With AID projects, TransLink receives financial compensation from developers who build infrastructure adjacent to SkyTrain stations.

Gain on disposal of assets

Disposal of assets were $7.0 million lower than budget due to timing of planned disposals.

Funding Adjustments

The variance is largely due to the change in accounting treatment for Federal Gas Tax Funds which came into effect after the budget was prepared.

Consolidated Expenses – Comparison to 2014

(BY SEGMENT)

Year ended December 31	ACTUAL		COMPARISON TO 2014	
($ thousands)	2015	2014	Fav/ (Unfav)	%
Bus division	643,484	633,170	(10,314)	(1.6%)
Corporate operations	80,866	67,110	(13,756)	(20.5%)
Rail division	268,311	255,623	(12,688)	(5.0%)
Roads & Bridges	71,246	83,627	12,381	14.8%
Transit Police	33,136	34,334	1,198	3.5%
Amortization of tangible capital assets [1]	168,290	161,472	(6,818)	(4.2%)
Interest [1]	167,902	171,094	3,192	1.9%
Sub Total Continuing Operations	1,433,235	1,406,430	(26,805)	(1.9%)
AirCare	-	15,806	15,806	100.0%
Corporate and Roads & Bridges One-time	32,053	4,642	(27,411)	(590.5%)
Total Expenses by Segment	**1,465,288**	**1,426,878**	**(38,410)**	**(2.7%)**
Funding Adjustments				
Remove effect of AirCare	-	(15,806)	(15,806)	100.0%
Capital funding to municipalities	(30,653)	(43,953)	(13,300)	30.3%
Amortization of tangible capital assets	(159,925)	(153,650)	6,275	(4.1%)
Debt service costs	94,750	83,380	(11,370)	(13.6%)
Corporate other	(2,699)	(929)	1,770	(190.5%)
Total Funding Adjustments	(98,527)	(130,958)	(32,431)	24.8%
Total Funded Expenses	**$ 1,366,761**	**$ 1,295,920**	**$ (70,841)**	**(5.5%)**

[1] Amortization and Interest shown separately to facilitate analysis

Bus Division operating expenditures were $10.3 million (1.6 per cent) higher year over year due to labour and other contractual and economic increases, weaker Canadian dollar exchange rate and inflation on maintenance materials and services, more revenue vehicle major repairs and increased fare media costs related to Compass. Partially offsetting these increases are lower fuel costs due to market prices and consumption from more efficient Compressed Natural Gas (CNG) vehicles.

Corporate Operations were $13.8 million (20.5 per cent) higher than the same period in 2014. This increase is mainly due to contractual labour increases and contracted services related to the roll out of the Compass system, liability for change in accounting treatment of contaminated sites, higher claims related to TransLink's Transportation Property Casualty Company (TPCC), increased Adjacent and Integrated Development (AID) costs which are recoverable from developers, and credit card fees previously netted against revenue.

Rail Division costs were $12.7 million (5.0 per cent) higher than prior year mainly from additional state of good repair costs specifically to rail and elevating devices, inflation increase for Canada Line performance payments in 2015, an increase in West Coast Express rail car lease payments, increased staffing levels, employee future benefits costs and contractual labour increase, as well as fare media costs related to Compass. The increased staffing includes positions in response to recommendations from the Independent SkyTrain review.

Roads and Bridges spending was $12.4 million (14.8 per cent) lower in 2015 due to timing of capital contributions to municipalities for capital infrastructure projects. Funding allocated to municipalities for rehabilitation of the Major Road Network (MRN) remains unchanged; however, the timing of the expenditures is dependent on the municipalities.

Transit Police expenses were $1.2.million (3.5 per cent) lower than 2014 primarily due to retroactive wages recorded in 2014 related to ratification of a new collective agreement going back to 2011.

Amortization expense increased $6.8 million (4.2 per cent) over 2014 largely due to additions in SkyTrain systems and infrastructure, information systems and lease buy out of 28 West Coast Express rail cars.

Interest expense was $3.2 million (1.9 per cent) lower than prior year due mostly to a renewal of a large portion of TransLink's debt at lower interest rates.

AirCare

In accordance with the provincial government's May 2012 announcement, the AirCare program for testing light cars and trucks was eliminated on December 31, 2014.

Corporate and Roads & Bridges One-time costs were $27.4 million higher than 2014. One-time spending for 2015 includes; the Compass project, Transportation and Transit Plebiscite, Rapid transit studies, corporate restructuring, and write off of non-capitalizable seismic upgrade design costs related to the Pattullo Bridge.

Consolidated Expenses – Comparison to Budget

(BY SEGMENT)

Year ended December 31 ($ thousands)	2015 ACTUAL	 BUDGET	COMPARISON TO BUDGET Fav/ (Unfav)	 %
Bus division	643,484	653,591	10,107	1.5%
Corporate operations	80,866	76,930	(3,936)	(5.1%)
Rail division	268,311	266,563	(1,748)	(0.7%)
Roads & Bridges	71,246	87,940	16,694	19.0%
Transit Police	33,136	33,263	127	0.4%
Amortization of tangible capital assets [1]	168,290	171,321	3,031	1.8%
Interest [1]	167,902	166,546	(1,356)	(0.8%)
Sub Total Continuing Operations	1,433,235	1,456,154	22,919	1.6%
Corporate and Roads & Bridges One-time	32,053	29,672	(2,381)	(8.0%)
Total Expenses by Segment	**1,465,288**	**1,485,826**	**20,538**	**1.4%**
Funding Adjustments				
Capital funding to municipalities	(30,653)	(44,978)	(14,325)	31.8%
Amortization of tangible capital assets	(159,925)	(162,279)	(2,354)	1.5%
Debt service costs	94,750	95,016	266	0.3%
Corporate other	(2,699)	-	2,699	100.0%
Total Funding Adjustments	(98,527)	(112,241)	(13,714)	12.2%
Total Funded Expenses	**1,366,761**	**1,373,585**	**6,824**	**0.5%**

[1] Amortization and Interest shown separately to facilitate analysis

Bus Division operating expenditures were $10.1 million (1.5 per cent) favourable to budget due to lower fuel prices, reduced employee benefit costs, staff vacancies, less snow removal expenses, reduced technology spend, lower property taxes and the timing of implementation for planned activities. The savings were partially offset by higher revenue vehicle materials costs, including the impact of the weakening Canadian dollar exchange rate and more major engine repairs.

Corporate Operations expenses were $3.9 million (5.1 per cent) unfavourable to budget mainly due to liability for site remediation, claims paid out by TransLink's Transportation Property Causality Company (TPCC), and increased costs related to Adjacent and Integrated Development (AID) projects which are recoverable from developers; offset by lower Compass contractor payments and lower credit card fees related to the timing of Compass roll out.

Rail Division operating costs were $1.7 million (0.7 per cent) higher than budget as a result of increased staffing in response to recommendations from the Independent SkyTrain review, costs related to maintaining ticket vending machines and ticket validators which have now been replaced, additional rail and equipment maintenance costs, and write down of impaired capital spares, partially offset by cost savings from station painting.

Roads & Bridges spending was $16.7 million (19.0 per cent) lower than the 2015 budget mainly due to timing of capital contributions to municipalities. Spending on feasibility studies was also lower than budgeted due to timing of activities.

Transit Police costs were on budget for 2015.

Amortization expense was $3.0 million (1.8 per cent) favourable to budget due to timing of project completions.

Interest expense was $1.4 million (0.8 per cent) unfavourable to budget due to timing of capital project financing, partially offset by favourable short term commercial paper borrowing and rates.

Corporate and Roads & Bridges One-time costs were $2.4 million (8.0 per cent) higher than budget mainly due to the write off of non-capitalizable seismic upgrade design costs related to the Pattullo Bridge, Rapid transit studies and corporate restructuring costs; partially offset by the timing of spending related to the phase in of Compass and unused contingency.

Consolidated Expenses by Category – Comparison to 2014

Year ended December 31	2015 Actual			2014 Actual			Ongoing Expenses	
($ thousands)	Ongoing	One-time [1]	Total	Ongoing [2]	One-time [1]	Total	Fav/ (Unfav)	%
Administration	$ 32,805	$ 11,833	$ 44,638	$ 27,857	$ 3,073	$ 30,930	$ (4,948)	(17.8%)
Amortization of capital assets	168,290	-	168,290	161,472	-	161,472	(6,818)	(4.2%)
Capital infrastructure contributions	30,653	-	30,653	43,953	-	43,953	13,300	30.3%
Contracted services	203,563	-	203,563	212,119	-	212,119	8,556	4.0%
Fuel and power	62,933	-	62,933	70,216	-	70,216	7,283	10.4%
Insurance	20,581	-	20,581	18,727	-	18,727	(1,854)	(9.9%)
Interest	167,902	-	167,902	171,094	-	171,094	3,192	1.9%
Maintenance, materials and utilities	121,623	233	121,856	113,167	72	113,239	(8,456)	(7.5%)
Professional and legal	16,162	17,790	33,952	12,049	1,272	13,321	(4,113)	(34.1%)
Rentals, leases and property tax	40,862	-	40,862	40,130	71	40,201	(732)	(1.8%)
Salaries, wages and benefits	567,250	2,196	569,446	551,452	154	551,606	(15,798)	(2.9%)
Write-down of tangible capital assets	612	-	612	-	-	-	(612)	100.0%
Total Expenses by Category	1,433,236	32,052	1,465,288	1,422,236	4,642	1,426,878	(11,000)	(0.8%)
Funding Adjustments	(98,527)	-	(98,527)	(130,958)	-	(130,958)	(32,431)	24.8%
Total Funded Expenses	$ 1,334,709	$ 32,052	$ 1,366,761	$ 1,291,278	$ 4,642	$ 1,295,920	$ (43,431)	(3.4%)

[1] One-time expenses shown separately to facilitate analysis

[2] 2014 Ongoing includes the AirCare program, which ended on December 31, 2014

On-Going Expenses

Administration costs increased $4.9 million (17.8 per cent) over 2014, mainly due to additional fare media and marketing costs with the roll out of Compass, and increased credit card fees which were previously netted against fare revenues.

Amortization expenses increased $6.8 million (4.2 per cent) over 2014 due to due to additions in SkyTrain systems and infrastructure, information systems and lease buy out of 28 West Coast Express rail cars.

Capital infrastructure contributions decreased $13.3 million (30.3 per cent) over 2014 due to timing of when municipalities schedule and complete the work along the Major Road Network (MRN).

Contracted services decreased $8.6 million (4.0 per cent) over 2014 mainly due to the end of the emissions testing program through AirCare on December 31, 2014. Partially offsetting this was inflationary increase of the Canada Line contractor payment, roll out of Compass, contractor costs related to Access Transit and Taxi Supplement usage, and tolling costs related to increased crossings on the Golden Ears Bridge.

Fuel and Power costs were $7.3 million (10.4 per cent) lower due to lower prices.

Insurance costs increased $1.9 million (9.9 per cent) over 2014 due to increased claims to TransLink's Transportation Property Casualty Company (TPCC).

Interest expense was $3.2 million (1.9 per cent) lower than 2014 as a result of renewal of a large portion of TransLink's debt at lower interest rates.

Maintenance, materials and utilities increased $8.5 million (7.5 per cent) over 2014 due to additional rolling stock and railborne equipment maintenance, and additional state of good repairs for the Rail division. Increased materials costs due to inflation and an unfavourable Canadian dollar exchange rate, more major repairs within the Bus division and recognition of a liability for remediation costs for inactive contaminated sites.

Professional and Legal increased $4.1 million (34.1 per cent) over 2014 mainly as a result of an increase in Adjacent and Integrated Development (AID) project costs which are recoverable from developers, consulting services for rail maintenance programs within the Rail division, and fees relating to Business Intelligence tools for Compass reporting.

Rentals, leases and property tax expenses increased $732 thousand (1.8 per cent) over 2014 mainly as a result of the contractual annual increase on the West Coast Express rail cars lease.

Salaries and Wages increased $15.8 million (2.9 per cent) over 2014, as a result of contractual labour increases, increased staffing levels within the Rail division in response to recommendations from the Independent SkyTrain Review, and additional staffing related to Compass.

Consolidated Expenses by Category – Comparison to Budget

Year ended December 31	2015 Actual			2015 Budget			Ongoing Expenses	
($ thousands)	Ongoing	One-Time [1]	Total	Ongoing [2]	One-Time [1]	Total	Fav/ (Unfav)	%
Administration	32,805	11,833	44,638	35,250	4,575	39,825	2,445	6.9%
Amortization of capital assets	168,290	-	168,290	171,321	-	171,321	3,031	1.8%
Capital infrastructure contributions	30,653	-	30,653	44,978	-	44,978	14,325	31.8%
Contracted services	203,563	-	203,563	205,467	-	205,467	1,904	0.9%
Fuel and power	62,933	-	62,933	71,513	-	71,513	8,580	12.0%
Insurance	20,581	-	20,581	19,765	-	19,765	(816)	(4.1%)
Interest	167,902	-	167,902	166,546	-	166,546	(1,356)	(0.8%)
Maintenance, materials and utilities	121,623	233	121,856	116,669	-	116,669	(4,954)	(4.2%)
Professional and legal	16,162	17,790	33,952	16,381	15,832	32,213	219	1.3%
Rentals, leases and property tax	40,862	-	40,862	40,285	-	40,285	(577)	(1.4%)
Salaries, wages and benefits	567,250	2,196	569,446	567,978	9,266	577,244	728	0.1%
Write-down of tangible capital assets	612	-	612	-	-	-	(612)	100.0%
Total Expenses by Category	1,433,236	32,052	1,465,288	1,456,153	29,673	1,485,826	22,917	1.6%
Funding Adjustments	(98,527)	-	(98,527)	(112,241)	-	(112,241)	(13,714)	12.2%
Total Funded Expenses	1,334,709	32,052	1,366,761	1,343,912	29,673	1,373,585	9,203	0.7%

[1] One-Time expenses shown separately to facilitate analysis

Administration costs were favourable to budget $2.4 million (6.9 per cent) mainly due to lower credit card fees, and lower computer systems and data service related costs slightly offset by higher Compass roll-out costs related to fare media and marketing.

Amortization expense was $3.0 million (1.8 per cent) favourable to budget due to timing of project completions.

Capital infrastructure contributions were $14.3 million (31.8 per cent) favourable to budget due to timing of municipal project completions.

Contracted services were favourable to budget $1.9 million (0.9 per cent) mainly due to the timing of Compass roll out, lower variable contractor costs related to fuel for HandyDART vehicles, offset by increased Golden Ears Bridge contactor payments due to the higher than expected crossings.

Fuel and Power costs were $8.6 million (12.0 per cent) favourable to budget due to lower prices.

Insurance was unfavourable to budget $816 thousand (4.1 per cent) due to increased claims to TransLink's Transportation Property Casualty Company (TPCC), slightly offset by favourable property insurance rates.

Interest expense was unfavourable to budget $1.4 million (0.8 per cent), due to timing of capital project financing, partially offset by favourable short term commercial paper rates.

Maintenance, materials and utilities expense were $5.0 million (4.2 per cent) unfavourable to budget due to more engine and major repairs and increased prices due to the weakening Canadian dollar exchange rate within the Bus division; and the recognition of a liability for remediation costs for inactive contaminated sites.

Professional and Legal fees were $219 thousand (1.3 per cent) favourable compared to budget primarily due to lower professional fees related to a shift in priority from Pattullo Bridge rehabilitation to replacement, offset by additional rail maintenance costs and increased costs related to Adjacent and Integrated Development (AID) projects which are recoverable from developers.

Rentals, Leases and Property Tax were $577 thousand (1.4 per cent) unfavourable to budget related to the Gateway lease and sublease.

Salaries and Wages were $728 thousand (0.1 per cent) favourable due to vacancy savings in the Bus and Corporate divisions.

4. Capital Program

As of December 31, 2015, TransLink's total capital project budget was $2.6 billion, including $1.2 billion in active projects, $41.0 million in Approved-In-Principle (AIP) projects and $205 million for infrastructure contributions to municipalities. There is $915.8 million in committed senior government funding, mainly from the Federal Gas Tax Fund and Building Canada Fund, available to TransLink for a number of projects. Total spending on capital projects in 2015 amounted to $279.6 million of which five projects (Evergreen Extension, Hamilton Transit Centre, Compass, West Coast Express rail car lease buyout and the 2014 Conventional bus replacements) accounted for $184.1 million of the expenditures.

The table below highlights the breakdown of TransLink's capital budget.

Investments in Capital Assets

Summary of Capital Program ($ thousands)	Number of Projects	Current Budget	2015 YTD Spending [1]	Cumulative Spending to Date	Final Forecast Cost	Variance to Current Budget		Senior Government Funding (Committed)
Capital Projects								
Active Capital Projects								
Equipment	11	24,725	750	2,551	24,521	204	0.8%	4,500
Facilities	10	149,550	47,281	94,792	148,746	804	0.5%	84,978
Infrastructure	30	378,479	60,310	138,242	332,172	46,307	12.2%	148,413
Major Construction	2	410,718	65,836	228,018	410,938	(220)	-0.1%	-
Technology Applications	13	19,987	2,528	7,446	19,772	215	1.1%	-
Vehicle - Non Revenue	6	3,320	2,048	2,048	2,854	466	14.0%	-
Vehicle - Revenue	7	175,920	7,011	13,468	174,339	1,581	0.9%	162,254
Subtotal Active Capital Projects	79	1,162,699	185,764	486,565	1,113,342	49,357	4.2%	400,145
Approved in Principle Projects (AIP) [2]								
Equipment	-	-	-	-	-	-	-	-
Facilities	1	250	-	-	250	-	-	-
Infrastructure	3	13,892	-	-	13,892	-	-	-
Major Construction	0	-	-	-	-	-	-	-
Technology Applications	4	5,490	-	-	5,490	-	-	-
Vehicle - Non Revenue	2	919	-	-	919	-	-	-
Vehicle - Revenue	2	20,400	-	-	20,400	-	-	-
Subtotal Approved in Principle	12	40,951	-	-	40,951	-	-	-
Subtotal Active and AIP Projects	91	1,203,650	185,764	486,565	1,154,293	49,357	4.2%	400,145
Substantially Complete Projects	53	1,002,148	90,346	974,312	995,430	6,718	0.7%	452,217
Closed Projects	32	128,506	3,498	123,290	123,290	5,216	4.1%	63,396
Cancelled AIP Projects	27	30,819		9,339	30,819		0.0%	-
Total Capital Projects	**203**	**2,365,123**	**279,609**	**1,593,507**	**2,303,832**	**61,291**	**2.6%**	**915,758**
Capital Infrastructure Contributions	22	205,745	34,792	150,184	199,113	6,632	3.2%	-
Capital Program Grand Total	**225**	**2,570,868**	**314,401**	**1,743,691**	**2,502,945**	**67,923**	**2.6%**	**915,758**

[1] YTD figures represent actual spend and do not include accrued amounts

[2] Includes submissions from current and prior year AIP programs

Active Capital Projects

The active capital projects program supports a safe and reliable transit system by maintaining assets in a state of good repair and replacing them when needed. TransLink is also undertaking several projects to improve service and increase system capability and capacity.

At the end of 2015 there were 79 active projects with $185.8 million in spending for the year and $486.6 million in total project spending. A comparison of project budgets against forecasted project spending over the 79 active projects shows a favourable Forecasted Final Cost (FFC) variance of $49.4 million (4.2 per cent). The majority of the variance, $49.3 million, is related to significant reductions in scope for the Pattullo Bridge Rehabilitation project. Once finalized, the excess funds will be disencumbered from the project.

Significant capital spending by category for 2015 centered on major construction, infrastructure improvements and facilities, the highlights by category are as follows:

Major Construction spending totaled $65.8 million in 2015 and was directly related to the Evergreen Extension. This is the next major expansion of the rail network and is expected to increase ridership and accessibility to the transit system and improve customers' experience when it is completed in 2017. The project is a partnership with the Province, via the BC Transportation Financing Authority, with both parties contributing to the construction of the extension. Once completed, TransLink will receive specific assets for its contributions to the project and be responsible for maintaining and operating the extension.

Infrastructure spending totaled $60.3 million in 2015. Several infrastructure projects are currently underway, focusing on improvements in the resiliency and reliability of the transportation network and customers' transit experience post completion.

The significant costs incurred for the year were under the following Expo Line Upgrade projects:

- Commercial-Broadway SkyTrain Station Upgrade Project, $20.2 million to improve passenger flow and increase capacity
- Expo Line Propulsion Power Upgrade Project, $13.1 million to improve resiliency across the SkyTrain system
- Metrotown SkyTrain Station and Bus Exchange Upgrade Project, $10.3 million to improve passenger flow and increase capacity

Facilities spending totaled $47.3 million in 2015 and related mainly to the construction of the new Hamilton Transit Centre in Richmond. The Hamilton Transit Centre will provide operation and maintenance capacity for TransLink's buses and is scheduled to open in fall, 2016.

Approved in Principle (AIP) Capital Projects

As of December 31, 2015, there were 12 AIP projects that had not been initiated with a total AIP aggregate budget of $41.0 million. AIP projects include enterprise wide investment in continued fleet replacements, infrastructure upgrades, information technology and systems, and facilities improvements.

The significant 2015 projects awaiting approval that have been shifted to 2016 primarily due to resource constraints are:

- 2016 Conventional Bus Replacement Program ($16.2 million).
- SkyTrain Signage and Station Fixture Replacements ($6.8 million),

- Seismic Upgrades to the South SeaBus Terminal and Skywalk ($6.0 million)

Substantially Complete Capital Projects

A total of 53 projects with an aggregate current budget of $1.0 billion and a total Final Forecasted Cost (FFC) of $995.4 million are currently deemed substantially complete and in the final stages of project activity. The total expected favourable variance for these projects is $6.7 million (0.7 per cent), with $21.1 million in forecasted costs remaining.

A large number of substantially complete projects remain open due to an extended warranty period on acquired components, as is the case with bus or SkyTrain car replacements. In addition to several fleet replacement and expansion projects, the Compass Card and Faregate project, Main Street SkyTrain Station Upgrade and SkyTrain Automatic Train Control (ATC) System Upgrade also currently fall under this category.

The Compass Card and Faregate project reached substantial completion in December 2015 with total 2015 project spending of $28.3 million. Compass provides more options for customers to pay for transit and improves the ability to optimize the transit system based on passenger travel patterns.

Closed Capital Projects

As of December 31, 2015, 32 projects with an aggregate cost of $123.3 million and a current budget of $128.5 million were completed and closed in the year. The projects closed include:

- Bus communications equipment upgrades and facilities upgrades
- Conventional bus fleet expansions and Community Shuttle replacements
- SkyTrain Fibre Optic System upgrade
- Trolley Overhead replacements and improvements
- TransLink Owned Bicycle Infrastructure Upgrades
- Golden Ears Bridge Transponder Replacements for synchronization with Port Mann Bridge
- Police vehicle replacements
- Wayfinding case-holder replacement
- IT improvements for organizational effectiveness,
- Power Smart initiatives

Cancelled Capital Projects

For all of 2015, 27 AIP projects with an aggregate budget of $30.8 million were cancelled. These projects were reviewed, prioritized, and cancelled to proactively manage costs, align strategic priorities, and optimally utilize limited resources using a risk based approach – with little to no customer or service changes.

Capital Infrastructure Contributions

These expenditures consist mainly of contributions to municipalities for the rehabilitation and upgrade of the Major Road Network (MRN) and for bike pathways. As TransLink does not own the underlying assets the costs are expensed in the year. At the end of 2015 there were 22 active projects with $34.8 million in expenditures for the year.

5. Changes in Financial Position

Financial Assets

As at December 31

($ thousands)	2015	2014	Change	%
Cash and cash equivalents	249,527	228,735	20,792	8.3%
Accounts receivable	102,421	102,644	(223)	(0.2%)
Restricted cash and investments	439,770	361,509	78,261	17.8%
Investments	83,573	84,586	(1,013)	(1.2%)
Assets held for sale	-	4,868	(4,868)	-
Debt reserve deposits	36,407	36,104	303	0.8%
Financial Assets	911,698	818,446	93,252	10.2%

See "Liquidity and Capital Resources" section for cash and cash equivalents.

Restricted cash and investments represent unspent government transfers and self-administered sinking funds. The $78.3 million (17.8 per cent) increase is due to the $36.7 million net influx of Federal Gas Tax funds (receipts from the federal government of $122.5 million less releases to fund eligible projects) and a $41.5 million increase in TransLink's self-administered sinking fund via contributions and interest earned in this restricted fund.

Investments decreased $1.0 million primarily due to TransLink's Transportation Property Casualty Company (TPCC) reducing its investment portfolio to pay out some claims.

Liabilities

As at December 31

($ thousands)	2015	2014	Change	%
Accounts payable and accrued liabilities	241,766	232,478	9,288	3.8%
Debt	2,144,102	2,045,356	98,746	4.6%
Deferred government transfer	1,124,066	1,201,165	(77,099)	(6.9%)
Golden Ears Bridge contractor liability	1,050,913	1,051,375	(462)	(0.0%)
Deferred concessionaire credits	572,396	595,669	(23,273)	(4.1%)
Employee future benefits	110,023	99,875	10,148	9.2%
Deferred revenue and deposits	14,742	1,968	12,774	86.7%
Deferred lease inducements	12,799	13,021	(222)	(1.7%)
Liabilities	5,270,807	5,240,907	29,900	0.6%

For the discussion on Debt please see the "Liquidity and Capital Resources" section.

Deferred Government Transfer represents the receipt of funding, offset by revenue recognized as the various government funding agreement stipulations are met. During the year-ended December 31, 2015, the decrease of $77.1 million was due to $151.8 million of funding received offset by $228.9 million of revenue being recognized.

Deferred concessionnaire credits represent the funding provided by the Canada Line Concessionaire. This balance is amortized to income on a straight-line basis over the operating term of the concessionaire agreement, which will expire in July 2040.

The increase in employee future benefits, which represent post retirement and post employment benefits, is due to the annual estimated current service cost and related interest. The post retirement portion of this liability will draw down upon retirement of the employees.

The increase in deferred revenue and deposits of $12.8 million is mainly due to the roll out of Compass Cards and passengers' purchase of fare products in advance of transit services provided.

Non-Financial Assets

As at December 31

($ thousands)	2015	2014	Change	%
Tangible capital assets	4,606,623	4,511,992	94,631	2.1%
Supplies inventory	56,442	51,266	5,176	9.2%
Prepaid expenses	11,719	12,516	(797)	(6.8%)
Non-Financial Assets	4,674,784	4,575,774	99,010	2.1%

Capital Asset Additions

For the year ended December 31, 2015 tangible capital assets increased by a net amount of $94.6 million which represents $267.6 million additions to capital assets less the following:

- $168.3 million of amortization
- $4.1 million in disposals
- $0.6 million in asset write downs

The addition of $267.6 million to each capital asset category during the year was primarily made up of the following items:
Additions to other supporting systems of $71.0 million primarily related to:

- $42.0 million for Expo Line propulsion system upgrades
- $18.6 million related to the Compass and Faregate System
- $8.0 million in SkyTrain system upgrades to Main Street Station

Additions to vehicles of $50.9 million related to:

- $21.5 million for the lease buyout of 28 West Coast Express rail cars
- $17.1 million for replacement of the conventional bus fleet including 31- 40' Compressed Natural Gas (CNG) conventional buses and various holdbacks
- $8.8 million for replacement of the custom transit fleet including 76 vehicles and various holdbacks
- $3.5 million for replacement of community shuttle fleet including 18 vehicles and various holdbacks

Additions to equipment of $112.1 million primarily related to:

- $69.1 million for bus equipment and rail equipment related to Compass

- $13.6 million for bus equipment upgrades including $6.3 million for Knight Street Rectifier Replacement and $1.9 million for seismic upgrades to West Vancouver Transit Centre
- $11.9 million for rail system equipment upgrades including switch control replacements and safety and lighting improvements
- $7.0 million for technology applications and computer equipment
- $5.0 million in upgrades to bicycle infrastructure equipment
- $3.5 million for furniture, phone equipment and electrical and mechanical leasehold improvements

Net additions to work in progress of $31.9 million primarily related to:
Additions of:

- $65.6 million for Evergreen Extension
- $36.9 million for Hamilton Transit Centre
- $17.5 million for Commercial-Broadway Station Construction

These additions were offset by transfers of the following completed projects into their respective asset classes:

- $53.8 million for Compass project
- $27.9 million for Expo Line Propulsion Power Upgrade
- $6.3 million for the Knight Street Rectifier Replacement

At December 31, 2015 the Authority had tangible capital assets with a total net book value of $4.6 billion. In addition, TransLink also operates, maintains and upgrades capital assets owned by the Province of BC including land, stations and guideways related to the SkyTrain Expo and Millennium Lines and West Coast Express rail cars and land assets with a total net book value of approximately $1.5 billion.

6. *Liquidity and Capital Resources*

The cash and cash equivalents increased due to timing of capital spending and borrowing activity. The following table shows TransLink's unrestricted cash and near cash equivalents.

Unrestricted Cash and Cash Equivalents
As at December 31

($ thousands)	2015	2014	Change	%
Cash and cash equivalents[1]	249,527	228,735	20,792	8.3%

[1] Reclassified to include Money Market Mutual Funds

The increase in unrestricted cash and cash equivalents is primarily due to the strong positive cash flow from operating transactions of $136.4 million offset by a net outflow from capital, investing and financing transactions of $115.6 million. TransLink's strong liquidity position is further supported by a $500 million commercial paper program, of which only $120 million is outstanding at year end (2014 - $90 million).

Financing

TransLink finances its assets using three main sources: net direct debt, indirect P3 debt and senior government contributions. The latter is represented on the balance sheet as deferred government transfers.

As at December 31

($ thousands)	2015		2014		Change	%
Debt	2,144,102		2,045,356		98,746	4.6%
Less: Self-administered sinking funds	(117,761)		(76,230)		(41,531)	(35.3%)
Less: Debt reserve deposits	(36,407)		(36,104)		(303)	(0.8%)
Net Direct Debt	1,989,934	42.0%	1,933,022	40.4%	56,912	2.9%
Golden Ears Bridge contractor liability	1,050,913		1,051,375		(462)	(0.0%)
Deferred concessionaire credits	572,396		595,669		(23,273)	(4.1%)
Indirect P3 Debt	1,623,309	34.3%	1,647,044	34.4%	(23,735)	(1.5%)
Subtotal Net Direct Debt and Indirect P3 Debt	3,613,243		3,580,066		33,177	0.9%
Deferred government transfers	1,124,066	23.7%	1,201,165	25.1%	(77,099)	(6.9%)
Total	**4,737,309**	**100.0%**	**4,781,231**	**100.0%**	**(43,922)**	(0.9%)

In 2015, TransLink re-opened two bonds with a total par value of $150 million. These two bond issues were to help finance the purchase of capital assets. The coupon on the first tranche of $85 million for a 9.5 year term is 3.05 per cent and was issued at an effective interest rate of 2.92 per cent. The coupon on the second tranche of $65 million for a 28.5 year term is 4.45 per cent and was issued at an effective interest rate of 3.76 per cent.

Total net direct debt and indirect P3 debt totalled $3.61 billion (2014 - $3.58 billion). This represents 267.3 per cent (2014 – 275.3 per cent) of operating revenues. Gross interest cost as a percentage of operating revenue was 12.4 per cent (2014 – 13.1 per cent). Both of these ratios were within the limits of TransLink's debt management policy, 350 per cent and 20 per cent respectively.

Maintaining high-quality credit ratings is essential to ensure TransLink continues to be able to access capital markets in a cost-effective manner, when it needs to borrow to finance its capital programs. The following table summarizes TransLink's current credit ratings and outlooks:

Credit Rating
As at December 31, 2015

Agency	Commercial Paper	Senior Debt	General Obligation	Outlook
DBRS Limited	R-1 mid	AA	AA	Stable
Moody's Investors Service	Not Rated	Aa2	Aa2	Stable

Under the *South Coast British Columbia Transportation Authority Act*, TransLink's outstanding debt obligations cannot exceed TransLink's borrowing limit of $3.5 billion. The debt obligations are defined under the SCBCTA Act as the sum of current borrowings of TransLink secured by debentures, bonds, other forms of indentures, capital leases, short-term notes, lines of credit and bank overdrafts, excluding any prepaid financing costs. Any future increases in TransLink's borrowing limit need to be approved by the Mayors' Council (after consultation with and ratification by Metro Vancouver) through an investment plan. As at December 31, 2015, TransLink's outstanding debt obligation, as defined above, was $2.83 billion[1] (2014 - $2.67 billion).

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[1] Debt of $2.14 billion plus MFA administered sinking funds of $0.68 billion plus capital lease reductions since inception and unamortized issue costs of $0.01 billion.

7. Risk Factors

Financial risk

The main financial risks TransLink is exposed to are credit, liquidity and market risks.

Credit risk

Credit risk is the risk of loss resulting from bad debts on accounts receivables and non-performing investments.

(a) Accounts Receivable

The large majority of TransLink's accounts receivables are from the Province of BC (fuel tax), municipal governments (property tax) and BC Hydro (hydro levy). For these balances, collectability risk is not significant. The bulk of the remaining accounts are associated with Golden Ears Bridge's tolls and individuals owing fare infraction fines:

- For Golden Ears Bridge tolls, V-Flow (tolling management company) works with ICBC to issue a Refuse-to-Issue (RTI) against overdue account holders. An RTI prevents vehicle owners from reinsuring vehicles and renewing their driver's license until they pay off the balance of their overdue account.
- For fare infraction fines, TransLink works either with ICBC to impose an RTI against individuals with a valid B.C. driver's license with overdue fines or the overdue fines are sent to a contracted collections agent that follows up directly with the individual for payment. Fare infraction fines are not a significant source of revenue for TransLink.

(b) Investments

Credit risk within the treasury function arises from the investments of the cash resources held by TransLink to meet internal liquidity requirements and for general business purposes. TransLink's investment policy identifies authorized investment types, limits asset concentrations, stipulates credit evaluation standards and delegates approval authorities. As these investments are limited to approved, reputable counterparties that are monitored on an ongoing basis, the investment risk is considered low.

Liquidity risk

Liquidity risk is the risk that TransLink may be unable to meet its financial obligations in a timely manner and at reasonable prices. Liquidity risk is low, as TransLink maintains an optimal mix of cash, short-term investments and short-term debt through a credit facility of $500 million committed out to March 2019. In addition, TransLink's commercial paper program and long-term debt is directly accessed through the Canadian public capital markets. Another important liquidity risk mitigation measure has been the establishment of a self-administered sinking fund program to provide dedicated and restricted funding. This sinking fund investment portfolio is being built over time to help offset the repayment of TransLink issued bonds.

Market price risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For TransLink, the following are the main types of market risk: interest rate risk, foreign exchange risk, commodity risk and inflation risk.

(a) Interest Rate Risk

Interest rate risk related to TransLink's fixed interest rate long-term debt will be subject to the market interest rates at the date of refinancing. TransLink mitigates this source of interest rate risk by spreading maturities of borrowings over periods currently up to and including 2052 so that only a portion of outstanding debt will mature in any given fiscal year.

(b) Foreign Exchange Risk

TransLink receives all of its revenues in Canadian dollars and also incurs operating expenses and capital expenditures mostly in Canadian dollars. Accordingly, TransLink does not have a significant exposure to losses arising from fluctuations in exchange rates.

(c) Commodity Risk

TransLink's commodity risk pertains to usage of natural gas, electricity, gasoline and diesel to run its fleet of transit vehicles. Commodity risk is considered moderate as the majority of its bus fleet is powered by diesel fuel and to mitigate this risk, TransLink's policy is to purchase fixed price contracts for up to 75 per cent of the estimated diesel fuel use up to 12 months.

(d) Inflation Risk

TransLink is subject to a certain amount of inflation risk, i.e. the risk that inflation will rise faster than expected. However, TransLink's governing legislation allows a maximum annual increase on property taxes of three per cent and short-term transit fares of two per cent and thus inflation risk is moderate.

Business Risk

As the region's multi modal transportation system, TransLink is exposed to various operational risks. TransLink identifies and manages these risks strategically through its Enterprise Risk Management (ERM) program using a systematic approach to identify, assess and respond to risks that affect the achievement of its strategic, operational, project and financial objectives. TransLink maintains a comprehensive insurance program utilizing its captive insurance company, the Transportation Property and Casualty Company (TPCC), to reduce the impact of any potential losses.

Environmental risk

TransLink is subject to Federal, Provincial and local environmental laws and regulations dealing with waste management, air quality and chemical spill response. If TransLink or its operating companies were to be involved in an environmental accident or found in violation of applicable law and regulations, the organization could be responsible for clean-up costs, repair of property damage, and fines or other penalties.

TransLink and its operating companies use the principles of an Environmental Management System (EMS) to guide informed decision-making and effective management of environmental risk. Coast Mountain Bus Company uses ISO 14001:2015 as a guideline to manage environmental risk. The EMS is designed to ensure hazards and risks are identified and assessed, and controls are implemented to mitigate significant risks. The EMS includes processes for identification and mitigation of environmental risks and regular review of environmental impacts, while continually improving environmental performance.

TransLink's Emissions Policy also commits to the reduction of impacts from vehicle emissions through its ability to influence the use of vehicles in the region, as well as the reduction of emission impacts from the operation of the transit fleet.

Labour relations risk

The substantial majority of employees across the TransLink enterprise are represented by various bargaining unit locals of Unifor, the Canadian Union of Public Employees (CUPE), the Canadian Office and Professional Employees Union (MoveUp/COPE) and Transit Police Professional Association (TPPA).

TransLink and its operating companies face financial risks related to negotiating collective agreements within the funding scope. In addition, in the event of a labour dispute, there is operational and reputational risk related to continuing to supply satisfactory services to customers. However, in a labour dispute, TransLink has the certainty of being able to continue to collect fuel tax, property taxes, toll fares and parking taxes.

Project risk

TransLink's capital projects can vary significantly in terms of scope and complexity depending on whether TransLink is maintaining its existing asset base, keeping assets in a state of good repair or undertaking significant capital infrastructure expansion plans for rapid transit lines or regional bridges. Risk areas of capital projects include cost estimates, design assumptions and considerations, scope definition, schedule, market rates for consultants/constructors, indemnities/insurance, project management, property, municipal approvals and the environment. To manage these risks for large projects, TransLink can use an appropriate mix of public private partnerships (P3s) to design, build, finance, insure, operate and maintain the capital infrastructure to minimize and/or transfer risks to the private sector. TransLink supplements internal resources and expertise with specialized engineering, design, planning, and construction/implementation skills as needed to provide the due diligence and oversight required by each project.

TransLink's capital approval process uses a two-stage approach that is aligned with the budget process. The first stage is the identification and definition of the project along with a budgetary estimate that is put forward for approval in principle. The second stage is more rigorous as this stage of approval involves the creation of a detailed project work plan that includes scope definition, identification of key stakeholders, risk assessment, mapping against corporate objectives and financial details. The project applications are reviewed by senior management in the context of the available funding, business priorities and the capital program approved by TransLink's board in the 10-year plan. Specific project approval recommendations are provided by the Capital Review Committee which consists of Vice-Presidents from the Corporate Leadership team, including the operating companies, to the Corporate Executive Committee (CEC) consisting of the Chief Financial Officer, the General Manager and President of BCRTC and the General Manager and President of CMBC. The CEC provides approval for projects with low risk and cost and projects with high risk and costs are referred to the TransLink Board of Directors for approval.

Project delivery is monitored and reported on a quarterly basis (larger projects may report monthly) to TransLink executives with a focus on any changes in budget, scope and risk. Each project has a project initiator, an owner's representative and appropriate stakeholder representation on the project team. During project delivery, procurement risk is reduced through appropriate market review and due diligence, tendering of projects, use of warranties and delay penalties.

Appendix I – Audited Consolidated Financial Statements

See translink.ca for the link to The 2015 Audited Financial Statements.

5 YEAR CONSOLIDATED REVENUES

Year ended December 31 ($ millions)	2011	2012	2013	2014	2015	Compound Annual Growth Rate (CAGR) 2011-2015
Taxation	682.4	714.4	741.3	744.2	772.7	3.2%
Transit	444.7	460.6	495.6	495.6	511.4	3.6%
Government transfers *	82.3	85.2	84.6	90.3	228.9	29.1%
Golden Ears Bridge tolling	33.7	38.9	39.4	41.6	48.4	9.5%
Interest income	26.1	31.7	34.2	34.7	34.4	7.2%
Amortization of deferred concessionaire credit	23.3	23.3	23.3	23.3	23.3	0.0%
Miscellaneous	5.0	5.6	5.8	5.6	6.1	5.3%
Sub Total Continuing Operations	1,297.5	1,359.6	1,424.2	1,435.3	1,625.4	5.8%
AirCare	18.4	20.3	19.6	12.0	-	(100.0%)
Gain on disposal of tangible capital assets	0.2	41.6	(0.2)	6.4	2.3	84.2%
Total Revenue	1,316.1	1,421.5	1,443.6	1,453.8	1,627.7	**5.5%**
Funding Adjustments:						
Government transfers	(60.6)	(65.1)	(64.9)	(70.3)	(207.4)	36.0%
Interest income	(22.2)	(27.4)	(28.6)	(29.7)	(30.0)	7.8%
Amortization of deferred concessionaire credit	(23.3)	(23.3)	(23.3)	(23.3)	(23.3)	0.0%
AirCare	(18.4)	(20.3)	(19.6)	(12.0)	-	(100.0%)
Total Funded Revenue	1,191.6	1,285.4	1,307.1	1,318.4	1,367.0	**3.5%**

* Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Total funded revenues have grown a Compound Annual Growth Rate (CAGR) of 3.5 per cent since 2011, revenues before funding adjustments have a CAGR of 5.5 per cent.

Taxation and Transit revenues have grown in-line with population growth and inflationary increases, while tolling revenues have exceeded population growth in the region.

Transfers from Governments a CAGR of 29.1 per cent since 2011, is due to the change in revenue recognition relating to a new Federal Gas Tax agreement that does not include a stipulated holding period.

5 YEAR CONSOLIDATED EXPENSES (BY SEGMENT)

Year ended December 31 ($ millions)	2011	2012	2013	2014	2015	Compound Annual Growth Rate (CAGR) 2011-2015
Bus division	607.1	624.1	618.8	633.2	643.5	1.5%
Corporate operations	53.4	57.4	61.9	67.2	80.9	10.9%
Rail division	225.7	239.5	240.6	255.6	268.3	4.4%
Roads & Bridges	97.9	118.5	93.5	83.6	71.2	(7.7%)
Transit Police	27.4	28.4	30.6	34.3	33.1	4.8%
Amortization of tangible capital assets *	161.2	164.0	166.8	161.5	168.3	1.1%
Interest *	171.6	177.7	172.9	171.1	167.9	(0.5%)
Sub Total Continuing Operations	1,344.3	1,409.5	1,385.1	1,406.5	1,433.2	1.6%
AirCare	18.7	17.4	16.2	15.8	-	(100.0%)
Corporate - one-time	5.5	3.8	5.5	4.6	32.1	55.6%
Total Expenses by Segment	1,368.5	1,430.8	1,406.8	1,426.9	1,465.3	1.7%
Funding Adjustments:						
AirCare	(18.7)	(17.4)	(16.2)	(15.8)	-	(100.0%)
Corporate	-	-	(0.3)	(0.9)	(2.7)	-
Roads & Bridges	(48.8)	(66.3)	(52.4)	(44.0)	(30.7)	(10.9%)
Amortization of tangible capital assets	(152.5)	(155.0)	(159.7)	(153.6)	(159.9)	1.2%
Interest	(66.1)	(66.0)	(67.1)	(67.6)	(67.2)	0.4%
Debt repayment reserves	14.8	18.2	19.4	22.6	32.2	21.5%
Principle repayments	80.5	78.6	72.8	66.3	62.2	(6.2%)
GEB capital payments	47.5	54.3	54.8	62.0	67.6	9.2%
In-house insurance (TPCC)	0.6	1.0	1.1	-	-	(100.0%)
Total Funded Expenses	1,225.8	1,278.3	1,259.2	1,295.9	1,366.8	2.8%

*Shown as a separate line to help facilitate analysis of debt service costs as GAAP statements allocate these amounts to the various segments

Total funded expenses have grown by a Compound Annual Growth Rate (CAGR) of 2.8 per cent since 2011, excluding the Corporate one-time costs the CAGR is 2.3 per cent. Corporate operations have increased mainly due to Compass operating costs, and increases in Adjacent and Integrated Development (AID) projects which are recoverable from developers. Corporate one-time costs have increased by a CAGR of 55.6 per cent, mainly due to Compass delivery, the Transportation and Transit Plebiscite, Rapid Transit studies, and non-capitalizable costs related to major capital projects in 2015. During the period 2011-2014 spending on Corporate one-time costs focused mainly on Compass non-capitalizable costs, development of the 2045 Plan, and Rapid Transit studies.

5 YEAR CONSOLIDATED EXPENSES (BY CATEGORY)

Year ended December 31 ($ millions)	2011	2012	2013	2014	2015	Compound Annual Growth Rate (CAGR) 2011-2015
Administration	22.3	23.3	24.3	27.6	32.8	10.1%
Amortization of capital assets	161.2	163.8	166.8	161.5	168.3	1.1%
Capital infrastructure contributions	48.8	66.3	52.4	44.0	30.7	(10.9%)
Contracted services	188.8	188.2	189.2	197.8	203.5	1.9%
Fuel and power	60.5	66.9	68.8	70.2	62.9	1.0%
Insurance	17.1	17.9	17.5	18.7	20.6	4.8%
Interest	171.6	177.7	172.9	171.1	167.9	(0.5%)
Maintenance, materials and utilities	102.7	113.9	102.2	113.1	121.6	4.3%
Professional and legal	14.4	18.7	13.8	12.1	16.2	3.0%
Rentals, leases and property tax	34.6	38.3	45.7	40.0	40.9	4.3%
Salaries, wages and benefits	519.1	534.6	529.7	550.4	567.2	2.2%
Provision for asset valuation	3.2	0.0	1.9	0.0	0.6	(34.2%)
Sub Total Continuing Operations	1,344.3	1,409.5	1,385.1	1,406.5	1,433.2	1.6%
AirCare	18.7	17.4	16.2	15.8	0.0	(100.0%)
Corporate - one-time	5.5	3.8	5.5	4.6	32.1	55.6%
Total Expenses by Category	1,368.5	1,430.8	1,406.9	1,426.9	1,465.3	1.7%
Funding Adjustments:						
AirCare	(18.7)	(17.4)	(16.2)	(15.8)	0.0	(100.0%)
Corporate	0.0	0.0	(0.3)	(0.9)	(2.7)	-
Roads & Bridges	(48.8)	(66.3)	(52.4)	(44.0)	(30.7)	0.0%
Amortization of tangible capital assets	(152.5)	(154.9)	(159.7)	(153.6)	(159.9)	1.2%
Interest	(66.1)	(66.0)	(67.1)	(67.6)	(67.2)	0.4%
Debt repayment reserves	14.8	18.2	19.4	22.6	32.2	21.5%
Principle repayments	80.5	78.6	72.8	66.3	62.2	(6.2%)
GEB capital payments	47.5	54.3	54.8	62.0	67.6	9.2%
In-house insurance (TPCC)	0.6	1.0	1.1	0.0	0.00	(100.0%)
Total Funded Expenses	1,225.8	1,278.3	1,259.2	1,295.9	1,366.8	2.8%

* 2013 figures have been restated to reflect impact of corporate re-organizations and to correct presentation

Golden Ears Bridge Funding Net Impact

Golden Ears Bridge

Year ended December 31 ($ thousands)	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	COMPARISON TO 2014 Fav/ (Unfav)	 %	2015 Budget	COMPARISON TO BUDGET Fav/ (Unfav)	 %	Compound Annual Growth Rate 2011-2015
Revenues											
Toll revenue	33,748	38,859	39,421	41,623	48,444	6,820	16.4%	43,580	4,864	11.2%	9.5%
Interest	75	81	115	71	65	(6)	(8.5%)	74	(9)	(12.2%)	(3.5%)
Total Revenues	33,823	38,940	39,536	41,694	48,509	6,814	16.3%	43,654	4,855	11.1%	9.4%
Expenses											
Tolling concessionaire	6,012	6,105	6,605	6,948	7,695	747	10.8%	6,557	1,138	17.4%	6.4%
O&M payments to DBFO contractor	4,229	4,489	4,556	4,584	4,698	114	2.5%	4,800	(102)	(2.1%)	2.7%
O&M insurance	1,155	1,142	1,119	1,102	1,096	(6)	(0.5%)	1,200	(104)	(8.7%)	(1.3%)
Safety payments to DBFO contractor	162	(3)	-	-	-	-	-	180	(180)	(100.0%)	-
Others	446	278	261	301	106	(195)	(64.9%)	181	(75)	(41.6%)	(30.2%)
	12,002	12,011	12,541	12,935	13,595	660	5.1%	12,918	677	5.2%	3.2%
Interest on borrowings	7,152	7,485	7,491	7,494	7,498	4	0.1%	7,498	-	0.0%	1.2%
Sinking fund payment	4,992	5,103	5,103	5,103	5,103	-	0.0%	5,103	-	0.0%	0.6%
Sub-total Debt Service Costs	12,144	12,588	12,594	12,597	12,601	4	0.0%	12,601	-	0.0%	0.9%
Capital payments to DBFO contractor	47,543	54,342	54,847	62,041	67,570	5,529	8.9%	68,532	(962)	(1.4%)	9.2%
Total Expenditures	71,689	78,941	79,982	87,573	93,766	6,193	7.1%	94,052	(286)	(0.3%)	6.9%
Funded (Deficit)/Surplus	(37,866)	(40,001)	(40,446)	(45,878)	(45,257)	621	(1.4%)	(50,398)	5,140	(10.2%)	4.6%
Cumulative (Deficit)/Surplus	(72,669)	(112,671)	(153,117)	(198,995)	(244,253)	(45,257)	22.7%	(249,393)	5,140	(2.1%)	35.4%
Net Notional Albion Ferry Savings	5,796	5,996	6,500	6,700	6,850						

Spanning the Fraser River, the Golden Ears Bridge connects the communities of Pitt Meadows and Maple Ridge to Langley, Surrey and beyond. The six-lane bridge and 14 kilometre road network provides a quick and convenient link for residents and businesses that reduces travel times and regional traffic congestion. The bridge opened on June 16, 2009 and features an electronic tolling system.

Under the *South Coast British Columbia Transportation Authority Act,* TransLink is permitted to recover all or part of the costs associated with the construction and operating of the Golden Ears Bridge by charging and collecting of tolls on persons who use or operate a motor vehicle that has driven on the bridge.

Financing of the bridge was obtained through a Public Private Partnership (P3) concessionaire agreement with Golden Crossing General Partnership. The concessionaire would design, build, finance, operate, maintain, and rehabilitate the Golden Ears Bridge and its associated road network over 35.5 years. The contact is expected to expire in 2040 at which time the financing of the Bridge will be fully repaid.

Appendix 4 – Operating Indicators

Operating Indicators

Year ended December 31	2011	2012	2013	2014	2015	Compound Annual Growth Rate (CAGR) 2011-2015
Service Performance Item						
Safety: Customer Injuries (per 1 million boarded passengers)						
- CMBC	3.5	3.4	3.4	3.5	4.3	5.5%
- Expo & Millennium Lines	1.4	1.1	1.2	1.3	1.3	(1.9%)
- West Coast Express	0.0	0.7	1.5	0.4	0.8	4.7%
- HandyDART	21.0	28.5	21.2	13.0	13.4	(10.6%)
Safety: Employee Lost Time Frequency						
- CMBC (per 200,000 hours worked)	6.6	6.1	7.7	8.9	7.1	1.9%
- Expo & Millennium Lines (per 200,000 hours worked)	3.7	4.6	3.6	3.4	3.6	(0.9%)
- West Coast Express (per 200,000 hours worked)	0.0	0.0	0.0	0.0	0.0	-
- HandyDART (per 200,000 hours worked)[4]	-	-	-	18.2	14.0	(23.1%)
Safety: CMBC Operator Assaults (per 1 million service hours)	29.5	23.2	37.0	24.3	22.3	(6.7%)
Ridership: Boarded Passengers (thousands)						
- CMBC	232,303	238,340	233,733	235,113	241,707	1.0%
- Expo & Millennium Lines	79,914	79,607	77,019	77,482	77,593	(0.7%)
- Canada Line	39,669	40,833	40,198	40,245	40,972	0.8%
- West Coast Express	2,808	2,872	2,750	2,625	2,649	(1.4%)
- HandyDART	1,526	1,511	1,460	1,464	1,340	(3.2%)
Ridership: Revenue Passengers (thousands)						
- Overall System	233,269	238,837	233,888	234,625	238,795	0.6%
Vehicle Service Delivery: Percentage of Service Hours Delivered						
- CMBC	100.0%	99.8%	99.6%	99.6%	99.7%	(0.1%)
- Expo & Millennium Lines	99.5%	99.6%	99.4%	99.5%	99.5%	0.0%
- Canada Line	100.0%	100.0%	100.0%	100.0%	99.5%	(0.1%)
- West Coast Express	99.8%	100.0%	100.3%	99.8%	99.7%	(0.0%)
- HandyDART (% of requested trips delivered)	98.5%	97.2%	96.5%	98.0%	99.6%	0.3%
Vehicle Punctuality: On-Time Performance						
- CMBC (< 2 Minutes Late)[4]	-	-	-	85.0%	85.6%	0.7%
- Expo & Millennium Lines (headway + 3 minutes)	95.1%	95.5%	94.7%	93.4%	95.9%	0.2%
- West Coast Express (headway + 5 minutes)	99.7%	97.2%	98.4%	97.7%	95.6%	(1.1%)
- HandyDART (within 15 minutes of Scheduled Pick-Up Time)[4]	-	-	-	89.2%	89.5%	0.3%
Vehicle Reliability: Mean Distance Between Failure						
- CMBC	27,355	27,540	25,964	22,366	24,562	(2.7%)
- Expo & Millennium Lines	439,092	701,373	636,753	602,824	464,912	1.4%
- West Coast Express	230,518	197,503	274,902	228,810	195,635	(4.0%)
HandyDart Vehicle Productivity						
- Trips per service hour (excludes taxis)	2.0	2.0	2.0	2.0	2.0	(0.1%)
- Trip Denials	18,189	35,053	42,418	16,869	1,613	(45.4%)

Operating Indicators continued

Year ended December 31	2011	2012	2013	2014	2015	Compound Annual Growth Rate (CAGR) 2011-2015
Environmental						
- CMBC (Spills per 1 Million Km)	14.8	12.3	12.0	9.3	8.5	(12.9%)
- CMBC (Revenue Vehicle Energy Consumption in Gigajoules)[2]	1,859,627	1,689,067	1,737,362	1,828,144	1,838,967	(0.3%)
Customer Service: Customer Satisfaction (overall score of 10)						
- Overall System[1]	7.6	7.7	7.6	7.6	7.5	(0.4%)
- CMBC	7.7	7.7	7.7	7.8	7.7	0.1%
- Expo & Millennium Lines	8.2	8.2	8.1	7.9	8.0	(0.5%)
- Canada Line	8.6	8.7	8.6	8.7	8.6	(0.0%)
- West Coast Express	8.6	8.6	8.5	8.5	8.1	(1.4%)
- HandyDART	8.0	8.0	8.1	8.2	8.5	1.5%
Customer Service: Customer Complaints						
- Overall System[1] (per 1 million boarded passengers)	93.4	88.9	103.6	96.0	94.2	0.2%
- CMBC (per 1 million boarded passengers)	119.7	108.9	124.5	116.2	111.0	(1.9%)
- Expo & Millennium Lines (per 1 million boarded passengers)	29.2	32.9	36.1	41.5	34.7	4.4%
- Canada Line (per 1 million boarded passengers)	11.8	6.0	10.1	8.1	8.3	(8.4%)
- West Coast Express (per 1 million boarded passengers)	188.4	196.0	217.8	197.7	335.2	15.5%
- HandyDART (per 1 million boarded passengers)	913.4	1,037.8	1,045.2	1,079.7	997.4	2.2%
Financial: Operating Costs						
- Overall System[3] (operating cost per capacity km)	0.074	0.078	0.079	0.082	0.084	3.3%
- CMBC (operating cost per capacity km)	0.113	0.119	0.117	0.119	0.119	1.3%
- Expo & Millennium Lines (operating cost per capacity km)	0.022	0.023	0.024	0.026	0.029	7.7%
- Canada Line (operating cost per capacity km)	0.093	0.094	0.100	0.103	0.105	3.2%
- West Coast Express (operating cost per capacity km)	0.085	0.085	0.087	0.097	0.099	3.8%
- HandyDART (operating cost per trip)	38.42	39.45	41.03	40.30	40.64	1.4%
Financial: Operating Cost Recovery						
- TransLink (conventional system)[5]	51.8%	51.7%	55.6%	53.4%	51.8%	(0.0%)

[1] *Excludes HandyDART.*

[2] *Gasoline litres not reported for 2011 - 2013*

[3] *Includes Bus, SeaBus, Expo & Millennium Line, Canada Line, West Coast Express and Police operating costs.*

[4] *Started reporting this measure in 2014*

[5] *Cost Recovery Ratio excludes depreciation and interest expense*

Appendix 5 – Allocated Costs between Divisions

Year ended December 31 ($ thousands)	2011	2012	2013	2014	2015
Shared Services [1]					
Bus division	13,846	16,553	21,229	23,779	23,440
Access Transit	-	-	-	-	972
SkyTrain - Expo & Millennium Line	-	349	731	837	1,108
West Coast Express	18	26	69	47	70
Transit Police	8	69	1,453	1,525	1,679
Total Shared Services allocated	13,872	16,996	23,482	26,188	27,269
Costs Administered by TransLink and allocated to subsidiaries [2]					
Bus division	17,685	16,460	14,490	15,135	16,411
SkyTrain - Expo & Millennium Line	4,042	3,838	3,418	3,581	4,770
SkyTrain - Canada Line	160	1,786	395	2,009	2,215
West Coast Express	10,963	11,853	13,537	14,616	15,725
Transit Police	-	-	1,097	1,639	1,793
Costs Administered by TransLink allocated	32,850	33,938	32,938	36,981	40,914
Bus Division	31,531	33,013	35,719	38,913	39,851
Access Transit	-	-	-	-	972
SkyTrain - Expo & Millennium Line	4,042	4,187	4,149	4,418	5,878
SkyTrain - Canada Line	160	1,786	395	2,009	2,215
West Coast Express	10,981	11,879	13,606	14,662	15,794
Transit Police	8	69	2,550	3,164	3,472
Total costs allocated to Subsidiaries from TransLink	46,722	50,935	56,419	63,166	68,182

[1] Includes Business Technology & Human Resources costs

[2] Includes property tax, building leases, insurance, and fare media costs

TransLink's methodology for allocating costs to benefitting business units is equitable and consistent with leading practices. TransLink allocates costs to business units (Bus division, Access Transit, SkyTrain, West Coast Express and Transit Police) which directly benefit or consume the service or costs.

Business units can be allocated 100 per cent of a cost if it is the only one benefitting/consuming that cost or costs can be shared across multiple business units that benefit/consume the cost based on an allocation factor (e.g. head count, square foot). The charges that are allocated to the business units include; human resources, administration, rentals and leases, and information technology.

Consolidated Financial Statements of

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Year ended December 31, 2015

KPMG

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of the South Coast British Columbia Transportation Authority

We have audited the accompanying consolidated financial statements of the South Coast British Columbia Transportation Authority (the "Authority"), which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Authority's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the South Coast British Columbia Transportation Authority as at December 31, 2015 and its consolidated results of operations, consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants
March 30, 2016
Vancouver, Canada

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Financial Position
(in thousands of dollars)

December 31, 2015, with comparative information for December 31, 2014

	2015	2014 (note 3)
FINANCIAL ASSETS		
Cash and cash equivalents	$ 249,527	$ 228,735
Accounts receivable (note 8(e))	102,421	102,644
Restricted cash and investments (note 5(a))	439,770	361,509
Investments (note 5(b))	83,573	84,586
Assets held for sale	-	4,868
Debt reserve deposits (note 6)	36,407	36,104
	911,698	818,446
LIABILITIES		
Accounts payable and accrued liabilities (note 8(e))	241,766	232,478
Debt (note 7)	2,144,102	2,045,356
Deferred government transfer (note 8(a))	1,124,066	1,201,165
Golden Ears Bridge contractor liability (note 9(a))	1,050,913	1,051,375
Deferred concessionaire credit (note 10(a))	572,396	595,669
Employee future benefits (note 11(b))	110,023	99,875
Deferred revenue and deposits	14,742	1,968
Deferred lease inducements	12,799	13,021
	5,270,807	5,240,907
NET DEBT	(4,359,109)	(4,422,461)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	4,606,623	4,511,992
Supplies inventory	56,442	51,266
Prepaid expenses	11,719	12,516
	4,674,784	4,575,774
Commitments and contingencies (note 13)		
Accumulated surplus	$ 315,675	$ 153,313

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

Original signed by Don Rose
Chair

Original signed by Barry Forbes
Director

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Operations
(in thousands of dollars)

Year ended December 31, 2015, with comparative information for December 31, 2014

	2015 Budget (note 2(t))	2015 Actual	2014 Actual
Revenue			
Taxation (note 16)	$ 756,456	$ 772,722	$ 744,157
Transit (note 8(f))	519,214	511,445	495,609
Golden Ears Bridge tolling	43,580	48,444	41,623
Emissions testing	-	-	12,047
Government transfers (note 8(a))	98,992	228,943	90,291
Amortization of deferred concessionaire credit (note 10(a))	23,337	23,273	23,273
Interest income	33,353	34,381	34,739
Miscellaneous revenue	3,489	6,102	5,576
Gain on disposal of tangible capital assets	9,388	2,340	6,437
	1,487,809	1,627,650	1,453,752
Expenses (note 17)			
AirCare	-	-	15,806
Bus division	783,594	770,108	764,137
Corporate	125,137	122,559	85,213
Rail division	358,505	361,129	345,290
Roads & Bridges	185,304	178,308	182,074
Transit Police	33,286	33,184	34,358
	1,485,826	1,465,288	1,426,878
Surplus for the year	1,983	162,362	26,874
Accumulated surplus, beginning of year	169,063	153,313	126,439
Accumulated surplus, end of year	$ 171,046	$ 315,675	$ 153,313

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt
(in thousands of dollars)

Year ended December 31, 2015, with comparative information for December 31, 2014

	2015 Budget (note 2(t))	2015 Actual	2014 Actual
Surplus for the year	$ 1,983	$ 162,362	$ 26,874
Acquisition of tangible capital assets	(410,955)	(267,619)	(228,413)
Amortization of tangible capital assets	171,321	168,290	161,472
Gain on disposal of tangible capital assets	(9,388)	(2,340)	(6,437)
Net proceeds from disposal of capital assets	13,625	2,642	7,707
Transfer to assets held for sale	-	-	4,868
Tangible capital assets contributed to municipalities	-	3,784	-
Write-down of tangible capital assets	-	612	-
	(235,397)	(94,631)	(60,803)
Change in supplies inventory	-	(5,176)	(4,397)
Change in prepaid expenses	-	797	(3,201)
	-	(4,379)	(7,598)
(Increase) decrease in net debt	(233,414)	63,352	(41,527)
Net debt, beginning of year	(4,584,111)	(4,422,461)	(4,380,934)
Net debt, end of year	$ (4,817,525)	$ (4,359,109)	(4,422,461)

See accompanying notes to consolidated financial statements.

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Cash Flows
(in thousands of dollars)

Year ended December 31, 2015, with comparative information for December 31, 2014

	2015	2014 (note 3)
Cash provided by (used for):		
Operating transactions:		
Surplus for the year	$ 162,362	$ 26,874
Non-cash changes to operations (note 14)	(58,919)	69,333
Net proceeds from disposal of assets held for sale	4,868	14,164
Changes in non-cash operating working capital (note 14)	28,054	(3,887)
Net change in cash from operating transactions	136,365	106,484
Capital transactions:		
Purchase of capital assets	(267,619)	(228,413)
Net proceeds from disposal of capital assets	2,642	7,707
Net change in cash from capital transactions	(264,977)	(220,706)
Investing transactions:		
(Increase) decrease in restricted cash and investments	(78,261)	59,172
Decrease (increase) in investments	1,013	(62,338)
(Increase) decrease in debt reserve deposits	(303)	3,573
Net change in cash from investing transactions	(77,551)	407
Financing transactions:		
Debt proceeds	180,750	131,901
Premium (issue costs) on financing	8,461	(1,273)
Repayments of debt	(92,049)	(130,698)
Repayments of Golden Ears Bridge contractor liability	(462)	-
Government transfers received for capital additions	130,255	33,323
Net change in cash from financing transactions	226,955	33,253
Increase (decrease) in cash	20,792	(80,562)
Cash, beginning of year	228,735	309,297
Cash, end of year	$ 249,527	$ 228,735
Supplementary information:		
Interest paid	$ 176,153	$ 171,621

See accompanying notes to consolidated financial statements.

1. Operations:

The South Coast British Columbia Transportation Authority, formerly the Greater Vancouver Transportation Authority, (the "Authority" or "TransLink") was established in June 1998 as a regional public transportation authority under the South Coast British Columbia Transportation Authority Act (the "Act") to provide for the planning, funding, management and operation of an integrated regional transportation system for the Greater Vancouver region.

2. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements of the Authority have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(b) Basis of consolidation:

The consolidated financial statements include the accounts of the Authority and its active wholly owned subsidiaries as follows:

(*i*) Coast Mountain Bus Company Ltd. (CMBC) - bus, SeaBus and community shuttle services;

(*ii*) British Columbia Rapid Transit Company Ltd. (BCRTC) - SkyTrain services on the Expo, Millennium and Canada Lines;

(*iii*) West Coast Express Limited (WCE)- commuter rail services;

(*iv*) Transportation Property and Casualty Company Inc. (TPCC) – a captive insurance company which provides insurance liability coverage to the Authority's operating subsidiaries; and

(*v*) TransLink Security Management Ltd. (TSML) – transit police services transferred from the TransLink entity to TSML effective March 4, 2013.

The AirCare program ceased operations on December 31, 2014. Pacific Vehicle Testing Technologies Ltd. (PVTT) became an inactive entity in 2015.

All intercompany balances and transactions have been eliminated upon consolidation.

(c) Basis of accounting:

TransLink follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is accrued as the obligation is incurred.

2. Significant accounting policies (continued):

(d) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(e) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. The fair value category includes derivatives, portfolio investments in equity instruments that are quoted in an active market, and any other items elected by the Authority to be recorded at fair value. All other financial instruments are recorded at amortized cost. Transaction costs are added to the amortized cost or expensed if they relate to instruments recorded on a fair value basis. The effective interest rate method is used to recognize interest.

The Authority does not have any financial instruments that are required or elected to be subsequently recorded at fair value; therefore, all instruments are recorded at amortized cost.

(f) Supplies inventory:

Supplies inventory is valued at the lower of average cost and net realizable value. Cost includes purchase price, import duties, other net taxes, and transport, handling and other costs directly attributable to acquisition. Net realizable value is the estimated current replacement cost.

(g) Tangible capital assets:

Tangible capital assets have been recorded as follows:

(*i*) Tangible capital assets are recorded at cost, including capitalized interest as described in note 2(i). Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, including the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs and duties.

(*ii*) As part of the establishment of the Authority, certain tangible capital assets contributed by the Province of British Columbia and BC Transit were recorded at the estimated fair value at the date of acquisition based on appraisals carried out.

(*iii*) Major spare parts qualify as tangible capital assets when they are expected to be used for a period exceeding one year.

2. Significant accounting policies (continued):

(g) Tangible capital assets (continued):

(*iv*) Amortization is provided on the cost less estimated salvage value on a straight-line basis over a period not exceeding the estimated useful lives as follows:

Asset	Years
Land improvements	30
Buildings	30
Bridges, guideways, stations and tunnels	75 -100
Other supporting systems (tracks, rail, roads, electrical, drainage, ventilation, tolling)	8 - 40
Vehicles and SeaBus	5 - 40
Equipment	5 - 40
Capital spares	13 - 20

(h) Assets held for sale:

Assets held for sale include real estate properties which are ready and available to be sold and for which there is a market. They are valued at the lower of cost or expected net realizable value.

(i) Capitalization of interest:

Interest costs directly attributable to construction projects and major capital acquisitions are capitalized from the commencement of the capital outlays until the assets are placed into service.

(j) Major Road Network (MRN) expenditures:

Part 2 of the Act provides that the Authority must establish a Major Road Network (MRN), comprising an integrated system of highways throughout the transportation service region, and the Authority must contribute funds to the municipalities for the purpose of constructing and maintaining any part of the MRN within that municipality if certain conditions are met.

Funding related to constructing the MRN is expensed under the heading "capital infrastructure contributions" as the related assets are the property of the appropriate municipalities who assume all the rights and obligations.

Funding related to operating and maintaining the MRN are expensed under the heading "maintenance, materials and utilities".

For the MRN and Bike (MRNB) programs, the amount of allocated funding contribution to each municipality for construction is determined by the proportion of a municipality's regional population and employment growth, consistent with the Metro Vancouver Growth Strategy. For the Operations, Maintenance and Rehabilitation funding of the MRN, the amount of annual Operation and Maintenance (O&M) contribution and the annual Pavement Rehabilitation (R) contribution to each municipality are determined by the corresponding set funding rate per lane kilometer of the MRN.

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2. Significant accounting policies (continued):

(k) Pension plans and employee future benefits:

(i) Pension plan:

The Authority, its subsidiaries and employees make contributions to the Public Service Pension Plan (PSPP). These contributions to the PSPP are expensed as incurred.

(ii) Employee future benefits:

Post-retirement and post-employment benefits are available to the majority of the Authority's employees. The cost of post-retirement benefits is actuarially determined, prorated on service and management's best estimate of retirement ages and expected health care costs. The cost of post-employment benefits to disabled employees is actuarially determined based on future projected benefits of currently disabled employees. The obligations under these post-retirement and post-employment benefit plans are accrued as the employees render services necessary to earn the future benefits. The measurement date of the accrued benefit obligation coincides with the Authority's fiscal year. The most recent actuarial valuation of the plans was December 31, 2015. The plans are unfunded and require no contributions from employees. Employer contributions are based upon expected annual benefit payments.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) is amortized over the average remaining service period of active employees in the consolidated statement of operations. The amortization period of the active employees covered by the post-retirement plan is 12 years (2014 - 11 years) and post-employment plan is 6 years (2014 - 6 years).

(l) Deferred revenue:

The Authority defers the portion of the revenue collected from transit services relating to services not yet rendered. This revenue is recognized in the year in which related services are provided.

(m) Deferred concessionaire credit:

Deferred concessionaire credit represents the funding provided by the Canada Line Concessionaire towards the design and construction phases of the Canada Line in exchange for the right to operate the line over the 30-year operating term. This amount is amortized to income on a straight-line basis over the operating term of the concessionaire agreement which commenced in August 2009 and will expire in July 2040.

2. Significant accounting policies (continued):

(n) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

A significant portion of the Authority's government funding for capital purposes is received from the federal government through the Gas Tax program and other similar programs. Under these agreements, the Authority is required to acquire specific transit assets with the funds. The Authority is also required under certain agreements to maintain the assets over a set holding period and repay funds if the associated assets are sold before the end of the holding period.

(o) Liability for contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

(*i*) an environmental standard exists;

(*ii*) contamination exceeds the environmental standard;

(*iii*) the Authority is directly responsible or accepts responsibility

(*iv*) It is expected that future economic benefits will be given up; and

(*v*) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(p) Income taxes:

The Authority is a tax exempt corporation, which is exempt from Canadian Federal and British Columbia Provincial income taxes as it is deemed to be a public body performing the function of government in Canada. The Authority's subsidiaries file on the basis that they are exempt from Canadian Federal and British Columbia Provincial income taxes.

(q) Foreign currency translation:

Transactions of the Authority and its subsidiaries originating in foreign currencies are translated at the rates in effect at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at exchange rates in effect at the statement of financial position dates. Foreign exchange gains and losses are included in income.

2. Significant accounting policies (continued):

(r) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include determination of useful lives of tangible capital assets, percentage of completion of construction-in-progress, allowance for doubtful accounts receivable, obsolete inventory, determination of employee future benefits, liability for contaminated sites, self insurance liability provisions and provisions for legal contingencies. Actual results could differ from those estimates.

(s) Segment disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. TransLink has provided definitions of segments used and presented financial information in the segmented format (note 17). The Business Technology, Human Resource, payroll and administrative services costs are managed by the Corporate segment and allocated among the operating segments, as appropriate. Interest has been allocated based on the allocated depreciation.

(t) Budget data:

The budget data presented in these consolidated financial statements were approved by the Board of Directors on February 16, 2015.

3. Recast of comparative figures:

During the year, the Authority determined that an adjustment was required to correct the classification of certain financial instruments in its comparative figures. This adjustment is immaterial to the financial statements as a whole. Money market mutual funds were reclassified from Investments to Cash and cash equivalents as these instruments are considered highly liquid investments. This reclassification increased Cash and cash equivalents by $63,131,000 as at December 31, 2014 (January 1, 2014 - $61,539,000) resulting in a Cash and cash equivalents balance of $228,735,000 as at December 31, 2014 (January 1, 2014 - $309,297,000).

4. Adoption of new accounting policy:

On January 1, 2015, the Authority adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a prospective basis and resulted in the recognition of a liability of $1,770,000 which has been included in accounts payable and accrued liabilities at December 31, 2015 and a corresponding increase in expenses for the year ending December 31, 2015.

5. Restricted and unrestricted investments:

The Authority holds investments consisting of term deposits, money market instruments, and bonds held at various financial institutions.

All these investments are recorded at amortized cost. The bonds had an average initial term of 104 months (2014 – 80 months) and an average remaining term to maturity of 89 months (2014 – 66 months). All bonds held by the Authority as at December 31, 2015 and 2014 were rated A or higher.

Details of effective and coupon rates of the government and corporate bonds are as follows:

	2015		2014	
	Effective rates	Coupon rates	Effective rates	Coupon rates
	%	%	%	%
Weighted average rate	2.22	3.10	2.20	2.76
Interest rate range	0.95 - 4.51	0.95 - 5.60	1.20 - 4.51	1.47 - 5.00

(a) Restricted cash and investments:

	2015	2014
Unspent government transfers:		
Cash and cash equivalents	$ 34,705	$ 107,843
Investments		
Term deposits and money market instruments	150,386	43,163
Bonds	136,918	134,273
Total unspent government transfers	322,009	285,279
Self-administered sinking funds:		
Cash and cash equivalents	18	1,296
Bonds maturing beyond one year	117,743	74,934
Total self-administered sinking funds	117,761	76,230
Total restricted cash and investments	$ 439,770	$ 361,509

Unspent government transfers consists of $320,009,000 (2014 - $283,279,000) of unspent Gas Tax funds and $2,000,000 (2014 - $2,000,000) of other contributions.

(b) Unrestricted investments:

	2015	2014 (note 3)
Investments:		
Term deposits & money market instruments	$ 60,943	$ 60,606
Bonds	22,630	23,980
Total investments	$ 83,573	$ 84,586

6. Debt reserve deposits and callable demand notes:

The Authority is required to pay the Municipal Finance Authority of British Columbia ("MFA") debt reserve deposits into a debt reserve fund of 1% (2% prior to 2007) of the face value of each debenture borrowing from the MFA. These are interest bearing restricted funds administered by the MFA and are only refundable once the respective debt issue has been fully repaid.

If at any time the MFA does not receive sufficient funds to meet payments or sinking fund contributions due on the Authority's debt obligations, the interest and principal payments or sinking fund contributions will be deducted from this debt reserve fund.

In addition to the debt reserve deposit, the Authority is required by the MFA to issue a non-interest bearing demand note for an amount equal to one-half the average annual installment of principal and interest relative to any debt borrowed less the debt reserve deposit. The demand notes payable to the MFA are callable only if, in the event of a default by the Authority or Metro Vancouver (the interposed significant lender over the Authority's long term debt), there are insufficient funds in the Authority's debt reserve deposit held at the MFA to meet a required interest, principal payment or sinking fund contribution. As the Authority is in full compliance with its debt payments and no such call has been made by the MFA on these demand notes, their face value have not been recorded as a liability on the consolidated statement of financial position. At year end, the maximum value of the demand notes totaled $45,786,000 (2014 - $46,727,000).

7. Debt:

	2015	2014
Unsecured commercial paper, due next 12 months	$ 119,590	$ 89,587
Unsecured sinking fund bonds held by the MFA, weighted average coupon rate of 4.32% (effective rate 4.40%), maturing at various dates from 2016 to 2036, 10 to 30 year term	1,495,075	1,515,184
Less: MFA administered debt sinking funds	(683,920)	(617,098)
Unsecured serial debenture held by the MFA, coupon rate of 5.10% interest payable semi-annually (effective rate 5.19%), maturing in 2025, principal repayment of approximately $2 million annually, 20 year term	26,162	28,447
Unsecured bullet maturity bond series TL-1, interest rate 3.80% (effective rate 3.88%), maturing 2020, original 10 year term	298,902	298,704
Unsecured bullet maturity bond series TL-2, interest rate 4.65% (effective rate 4.70%), maturing 2041, original 30 year term	198,539	198,515
Unsecured bullet maturity bond series TL-3, interest rate 3.85% (effective rate 3.82%), maturing 2052, original 40 year term	251,502	251,529
Unsecured bullet maturity bond series TL-4, interest rate 4.45% (effective rate 4.27%), maturing 2044, original 30.5 year term	221,672	148,914
Unsecured bullet maturity bond series TL-5, interest rate 3.05% (effective rate 3.06%), maturing 2025, original 10.5 year term	214,915	128,919
Capital lease, weighted average implicit rate of 2.73%, maturing at various dates from 2016 to 2018	1,665	2,655
	$ 2,144,102	$ 2,045,356

7. Debt (continued):

The Authority has an unsecured revolving credit facility with a syndicate of Canadian financial institutions totaling $500 million which will expire on March 23, 2019. The credit facility is to be used primarily as a liquidity backstop of commercial paper and provides for loans at varying rates of interest based on certain benchmark interest rates, specifically the Canadian prime rate and the Canadian bankers' acceptance rate, and on the Authority's credit ratings at the time of drawdown. The Authority is also required to pay commitment fees, which are also dependent on the Authority's credit ratings. This credit facility has no financial covenants or requirement to maintain a specific credit rating and was not drawn upon in 2015.

The Authority's unsecured commercial paper program is backstopped by the abovementioned syndicated credit facility which enables it to issue commercial paper up to a maximum aggregate of $500 million. As at December 31, 2015, $119,590,000 (2014 - $89,587,000), was owed under this commercial paper program at an average interest rate of 0.741% (2014 - 1.157%) and is due for repayment in January 2016 (2014 - January 2015).

The future debt payments, future actuarial interest on the MFA sinking fund payments and unamortized premium / issue costs are summarized as follows:

	Commercial Paper	Sinking Fund Bonds Held by MFA	Serial Debenture Held by MFA	Bullet Maturity Bonds	Capital Leases	Total
Future Payments:						
2016	$ 120,000	$ 59,382	$ 2,345	$ -	$ 1,218	$ 182,945
2017	-	53,266	2,405	-	396	56,067
2018	-	44,012	2,466	-	51	46,529
2019	-	36,357	2,529	-	-	38,886
2020	-	34,700	2,593	300,000	-	337,293
Thereafter	-	232,969	13,992	880,000	-	1,126,961
Future actuarial interest	-	353,249	-	-	-	353,249
Less:						
Unamortized premium / (issue costs)	(410)	(2,780)	(168)	5,530	-	2,172
Total	$ 119,590	$ 811,155	$ 26,162	$ 1,185,530	$ 1,665	$ 2,144,102

8. Transfers from other governments:

(a) Deferred government transfer:

	Balance at January 1 2015	Contributions received	Interest earned	Net administrative cost	Recognized as revenue	Balance at December 31, 2015
Capital project funding:						
Gas Tax funding	$ 517,562	$ 122,564	$ 3,953	$ 17	$ (171,790)	$ 472,306
Canada Line funding	571,478	-	-	-	(23,244)	548,234
Building Canada fund	74,669	3,061	-	-	(3,785)	73,945
Public Transit fund	17,130	-	-	-	(3,758)	13,372
Public Transit Infrastructure fund	7,835	-	-	-	(1,740)	6,095
Transit Secure fund	8,083	-	-	-	(794)	7,289
Urban Transportation Showcase	3,091	-	-	-	(687)	2,404
Miscellaneous programs	1,317	660	-	-	(1,556)	421
	1,201,165	126,285	3,953	17	(207,354)	1,124,066
Operating funding:						
Canada Line Operating Fund	-	19,238	-	-	(19,238)	-
Properties Environmental Program	-	1,565	-	-	(1,565)	-
Other cost sharing projects	-	786	-	-	(786)	-
	-	21,589	-	-	(21,589)	-
Total	$1,201,165	$ 147,874	$ 3,953	$ 17	$ (228,943)	$ 1,124,066

The balance at December 31, 2015 of $1,124,066,000 consists of $320,009,000 (2014 - $283,279,000) of unspent Gas Tax funds, $2,000,000 (2014 - $2,000,000) of Canada Line capital project funding and $802,057,000 (2014 - $915,886,000) of funds that have been spent and are recognized as revenue as the related stipulations in the agreement are met.

(b) Gas Tax funding:

The Authority receives funding annually from the Government of Canada via a Gas Tax funding agreement between the Authority and the Union of British Columbia Municipalities ("UBCM").

The Authority is required to spend the funds on defined tangible capital assets to support the mandate, as prescribed in the agreement.

During the year, the Authority entered into a new funding agreement with UBCM (the "Agreement").

Under the terms of the Agreement, for tangible capital assets acquired prior to April 1, 2014, the Authority is required to continue to retain title to the ownership of the infrastructure for a period of 10 years, or the useful life of the asset, if less than 10 years. Accordingly, once the contributions are spent on eligible items and the assets are placed into service, the contributions are amortized to revenue over 10 years, or the assets' useful life if less than 10 years.

Tangible capital assets acquired on or subsequent to April 1, 2014 are not subject to stipulations and the contributions are recognized in revenue when the funds are spent on eligible items. As a result of the new agreement executed during the year, the Authority recognized $44,100,000 in revenue for funds spent on eligible items from April 1, 2014 to December 31, 2014.

8. Transfers from other governments (continued):

(b) Gas Tax funding (continued):

Receipts and disbursements for the year are as follows:

	2015	2014
Opening balance, unspent funds	$ 283,279	$ 327,641
Add: Amount received during the year	122,564	-
Interest earned	3,953	4,434
Less: Amount spent on designated public transit projects	(89,804)	(48,772)
Net administrative costs	17	(24)
Closing balance, unspent funds	$ 320,009	$ 283,279

(c) Canada Line funding:

The Authority has received certain contributions for the Canada Line infrastructure from the federal and provincial government with the stipulation that TransLink operate and maintain the Canada line for a minimum of 30 years, equal to the operating agreement with the concessionaire. As such, the Authority recognizes the revenue from the contributors over the holding period of 30 years.

(d) Building Canada Fund:

The Building Canada Fund was established by the Federal Government to provide strategic funding to infrastructure projects managed by Canadian provinces, territories and municipalities. Through an agreement with the Province, the Authority obtains funding from the Major Infrastructure Component of the Building Canada Fund which supports various projects related to public transit. In addition to the federal funds, the Authority also receives Provincial funding for certain Building Canada Fund related projects.

Under the agreement, if any of the assets acquired are disposed or used in a manner other than as described in their request for funding, the Authority is required to return a portion of the contribution to the Province as follows:

Portion of contribution refund	Up to 1 year after the project completion date	Reduction in refund each year afterward
Fixed assets (non-movable)	100%	4%
Non-fixed assets (movable)	100%	10%

Accordingly, the Authority recognizes the revenue over the stipulation periods of 10 or 25 years.

8. Transfers from other governments (continued):

(e) Working capital balances:

	2015	2014
Trade accounts receivable	$ 39,217	$ 33,275
Due from Federal Government	6,173	5,253
Due from Province of British Columbia	49,227	56,807
Due from Regional Districts	5,576	5,103
Due from other Authorities	2,228	2,206
Accounts receivable	$ 102,421	$ 102,644

	2015	2014
Trade accounts payable	$ 205,744	$ 191,793
Due to Federal Government	4,683	2,456
Due to Province of British Columbia	419	719
Due to Regional Districts	25,116	31,875
Due to other Authorities	5,804	5,635
Accounts payable and accrued liabilities	$ 241,766	$ 232,478

(f) Transit revenue:

Included in transit revenues is $10,887,000 (2014 - $10,887,000) of contributions from the provincial government to assist with administering the U-Pass program and to offset any lost transit revenues.

9. Golden Ears Bridge:

(a) Golden Ears Bridge ("GEB") Contractor Liability:

In 2006, the Authority entered in a fixed-price contract with the Golden Crossing General Partnership (the "GCGP") to design, construct, finance, operate, maintain and rehabilitate the GEB. The contract was executed in March 2006 and terminates in June 2041.

The GEB Contractor Liability to finance the construction is repaid by the Authority over the operating term as follows:

	2015	2014
Opening balance	$ 1,051,375	$ 1,045,059
Add: Interest accretion on contractor liability to last payment date	67,113	67,590
Less: Payments made	(67,575)	(61,274)
Ending balance	$ 1,050,913	$ 1,051,375

9. Golden Ears Bridge (continued):

(a) Golden Ears Bridge ("GEB") Contractor Liability (continued):

As the last monthly payment of the year was made on December 8, 2015, the interest accrual from December 9 to 31, 2015 of $4,211,000 (2014: $4,166,000) is included in accounts payable and accrued liabilities.

Capital and interest payments to the GCGP commenced on substantial completion of the project. The nominal (based on 2005 dollars) monthly blended capital and interest payments, prior to escalation for the CPI index, are $4,792,000 (2014 - $4,792,000).

The obligation to the GCGP bears interest at an effective rate of 6.70% per annum. The effective interest rate is the implicit interest rate, which establishes the net present value of the payment stream equal to the cost of the bridge, considering future payments adjusted by the forecasted CPI index with an estimated annual inflation rate of 2%. The estimated payments in the next five years are as follows:

	Capital and interest
2016	$ 70,175
2017	71,578
2018	73,018
2019	74,477
2020	75,977

(b) Operating agreement with GCGP:

The Authority also pays the GCGP a monthly Operating, Maintenance, Rehabilitation (OMR) fee of $316,198 (based on 2005 dollars), which escalates based on a CPI index. Including an estimated 2% inflation rate per annum, the OMR payments to GCGP in the next five years are expected to be as follows:

	OMR
2016	$ 4,630
2017	4,723
2018	4,818
2019	4,914
2020	5,013

(c) Agreement with V-Flow Tolling Inc. ("V-Flow"):

The Authority has a contract with V-Flow to design, furnish, install, test, operate and maintain a toll system for the GEB on behalf of the Authority. The contract expires on July 15, 2016, with the Authority having the option to extend the term of the contract for an additional year.

Subsequent to year end, the Authority opted to extend its contract with V-Flow for another year.

Payments to V-Flow under the contract terms consist of fixed and variable components and are adjusted periodically based on a CPI index. The fixed component of the remaining payments under the contract from January 2016 to July 2017 totals $4,370,000, as is broken down as follows:

9. Golden Ears Bridge (continued):

(c) Agreement with V-Flow Tolling Inc. ("V-Flow") (continued):

	Fixed Component
January 1, 2016 to July 15, 2016	$ 1,404
July 16, 2016 to July 15, 2017	2,966

10. Canada Line:

The Canada Line is a light rail rapid transit line that links central Richmond, the Vancouver International Airport and downtown Vancouver. The concessionaire (InTransit BC) is contracted to operate the Canada Line from August 2009 to July 2040.

(a) Deferred concessionaire credit:

The deferred concessionaire credit represents contributions made by the concessionaire to design and construct the Canada Line in exchange for the right to operate. This amount is being amortized over the concession term which ends July 2040.

	2015	2014
Opening balance	$ 595,669	$ 618,942
Less: amortization	(23,273)	(23,273)
Closing balance	$ 572,396	$ 595,669

(b) Operating commitments:

Base operational and maintenance payments to the Canada Line Concessionaire (with 2003 being the base year), prior to adjustments for operational metrics and inflation, are as follows:

	Each 28-day period
January 2016 to December 2034	$ 6,409
January 2035	5,236
February 2035 to January 2040	4,064
February 2040	2,371

The total estimated base operating and maintenance payments, excluding taxes, to the Concessionaire for each of the next five years adjusted for certain operational metrics and inflation, are as follows:

2016	$ 108,000
2017	110,000
2018	112,000
2019	114,000
2020	116,000

10. Canada Line (continued):

(b) Operating commitments (continued):

The base operating and maintenance payments are subject to special events and passenger volume adjustments as well as quality and availability deductions according to the provisions of the contract.

(c) Operating contributions:

The Province of British Columbia has committed to provide funding of $1,478,000 at each 28 day period for 395 periods to November 2039 related to the Canada Line operating expenses, which is approximately $19.3 million per annum subject to quality and availability deductions. The funding received in 2015 was $19,238,000 (2014 - $19,214,000).

11. Pension plans and employee future benefits:

(a) Pension plans:

The Authority and its subsidiaries contribute to the Public Service Pension Plan (the "Plan"), which is a multi-employer defined benefit plan, together with other British Columbia public service employers, in accordance with the Public Sector Pension Plans Act.

The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits and other post-retirement benefits, on behalf of the employers and the employees to whom the Act applies. The long-term funding of the Plan is based on the level contribution method. Using this method, employer contribution rates are set out so that, in combination with member contributions, they will fully pay for benefits earned by the typical new entrants to the Plan and will maintain the Plan's unfunded accrual liability (UAL) for funding purposes, if any, as a constant percentage of employer payroll. The actuary does not attribute portions of the UAL to individual employers. Contributions to the Plan are expensed in the year when payments are made. Every three years, an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The latest full actuarial valuation for the Public Service Pension Plan, which was carried out as at March 31, 2014, resulted in a surplus of $201,643,000. The total expense recorded in the consolidated financial statements, in respect of pension contributions to the Plan, amounts to $42,643,000 (2014 - $40,556,000).

(b) Employee future benefits:

(*i*) Post-retirement:

In addition to the post-retirement benefits provided by the Plan, the Authority, CMBC and TSML continue to provide life insurance benefits to eligible retired employees.

In fiscal 2011, PSPP officially announced that effective April 1, 2012 it will no longer subsidize the Retiree MSP for Retirees and their dependents and extended health benefits for the Retiree's dependents. As per the COPE collective agreements, the benefits are the responsibility of TransLink and CMBC and therefore, the Authority funds (for eligible retired COPE employees) the remaining cost of MSP and extended health, which is not paid by the PSPP.

11. Pension plans and employee future benefits (continued):

(b) Employee future benefits (continued):

(*i*) Post-retirement (continued):

In the collective agreement between TSML and the Transit Police Professional Association ("TPPA") union ratified on November 27, 2014, the parties eliminated the MSP and extended health retiree benefits for new employees. Employees with one complete year of service or more as of November 27, 2014 were eligible for retirement benefits as follows:

- employees with at least 10 consecutive years' service at TSML and eligible to retire on pension with TSML as of December 31, 2018 who elected by May 26, 2015 to retire on or before December 31, 2018.
- all other eligible employees were paid a lump-sum of $750 per year of service calculated as of November 27, 2014.

BCRTC also sponsors a post-retirement plan which provides MSP coverage, extended health and dental benefits to eligible retired employees.

The total expense recorded in the consolidated financial statements, in respect of obligations under these plans, amounts to $10,533,900 (2014 - $10,433,200).

(*ii*) Post-employment:

The Authority, CMBC and TSML provide MSP, extended health, dental and life insurance benefits to employees on approved long-term disability leave (post-employment benefits).

BCRTC provides MSP, extended health, dental, life insurance and pension benefits to employees on approved long-term disability leave.

Effective December 24, 2012, WCE employees on approved long-term disability leave receive MSP, extended health, dental and life insurance benefits.

The total expense recorded in the consolidated financial statements for the year, in respect of obligations under these plans, amounts to $3,730,400 (2014 - $4,069,300).

(*iii*) Summary of the Authority's post-retirement and post-employment plans is as follows:

	Post-retirement benefits	Post-employment benefits	Total 2015	Total 2014
Accrued benefit obligation	$ 95,611	$ 20,297	$ 115,908	$ 109,584
Unamortized net actuarial (loss) gain	(16,370)	10,485	(5,885)	(9,709)
Accrued benefit liability	$ 79,241	$ 30,782	$ 110,023	$ 99,875

The accrued benefit liabilities are not funded.

11. Pension plans and employee future benefits (continued):

(b) Employee future benefits (continued):

(*iv*) The expense for the year is comprised of the following components:

	Post-retirement benefits	Post-employment benefits	Total 2015	Total 2014
Current period benefit cost	$ 5,135	$ 5,606	$ 10,741	$ 9,767
Interest cost	3,264	647	3,911	4,259
Amortization of actuarial (gains) and losses	2,135	(2,523)	(388)	476
Net expense	$ 10,534	$ 3,730	$ 14,264	$ 14,502
Actuarially determined payments	(1,678)	(2,438)	(4,116)	(3,709)
Change in accrued benefit liability	$ 8,856	$ 1,292	$ 10,148	$ 10,793

(*v*) The significant assumptions used are as follows:

	2015	2014
	%	%
Discount rates	2.9 – 3.6	2.9 - 3.4
Expected health care cost trend rates	4.4 – 6.9	4.4 - 7.1

12. Tangible capital assets:

Cost	Balance at January 1, 2015	Additions	Disposals	Write-down of assets	Balance at December 31, 2015
Land	$ 320,022	$ 361	$ (3,827)	$ -	$ 316,556
Land improvements	41,648	-	-	-	41,648
Buildings	234,115	252	-	-	234,367
Bridges, guideways, stations and tunnels	2,178,268	-	-	-	2,178,268
Other supporting systems	777,888	71,033	-	-	848,921
Vehicles and SeaBus	1,429,610	50,898	(11,212)	-	1,469,296
Equipment	528,059	112,128	(1,662)	-	638,525
Capital spares	5,354	1,055	(437)	(842)	5,130
Tangible capital projects in progress	396,213	31,892	-	-	428,105
Total	$ 5,911,177	$ 267,619	$ (17,138)	$ (842)	$ 6,160,816

12. Tangible capital assets (continued):

Accumulated amortization	Balance at January 1, 2015	Additions	Disposals	Write-down of assets	Balance at December 31, 2015
Land	$ -	$ -	$ -	$ -	$ -
Land improvements	(18,030)	(1,430)	-	-	(19,460)
Buildings	(95,878)	(7,206)	-	-	(103,084)
Bridges, guideways, stations and tunnels	(120,845)	(22,305)	-	-	(143,150)
Other supporting systems	(157,150)	(28,311)	-	-	(185,461)
Vehicles and SeaBus	(697,714)	(75,661)	11,118	-	(762,257)
Equipment	(308,173)	(33,015)	1,662	-	(339,526)
Capital spares	(1,395)	(362)	272	230	(1,255)
Total	$ (1,399,185)	$ (168,290)	$ 13,052	$ 230	$ (1,554,193)

Net Book Value	Balance at January 1, 2015	Balance at December 31, 2015
Land	$ 320,022	$ 316,556
Land improvements	23,618	22,188
Buildings	138,237	131,283
Bridges, guideways, stations and tunnels	2,057,423	2,035,118
Other supporting systems	620,738	663,460
Vehicles and SeaBus	731,896	707,039
Equipment	219,886	298,999
Capital spares	3,959	3,875
Tangible capital projects in progress	396,213	428,105
Total	$ 4,511,992	$ 4,606,623

Included in tangible capital assets is capital leased equipment with a net book value of $3.3 million (2014 - $4.7 million).

Interest capitalized during the year ended December 31, 2015 amounted to $10.8 million (2014 - $8.5 million).

As at December 31, 2015, the net book value of Expo and Millennium Line guideways or system improvements totaled $320.0 million (2014 - $183.1 million) of which $236.0 million (2014 - $146.5 million) relates to improvements on the assets that are leased/licensed from the Province. The guideways are leased/licensed from the Province for nominal proceeds and the Authority is responsible for operations and maintenance. The Expo and Millennium line leases expire in 2018 and 2017, respectively. Both leases have available renewal options and agreements have been negotiated to provide the Authority with reimbursement of the unamortized cost of capital improvements to the assets that are leased/licensed from the Province should the leases not be renewed. As the Authority expects to either renew the leases or be reimbursed for any unamortized costs, the improvements are included in the equipment category and are being amortized over their expected useful lives and not the term of the lease.

BC Transit leases to TransLink all of its interests (owned and otherwise) with respect to the West Coast Express properties and infrastructure. As at December 31, 2015, the net book value of West Coast Express improvements totaled $4.3 million (2014 - $4.5 million).

12. Tangible capital assets (continued):

As at December 31, 2015, the net book value of the Evergreen project totaled $227.7 million (2014 - $162.2 million). A Funding and Support Agreement dated November 15, 2012 (amended March 13, 2014) with the Province and BC Transportation Funding Authority specifies that TransLink will operate the line as part of the transportation network and receive upon completion of construction specific Evergreen Line assets in exchange for its contributions to the project.

13. Commitments and contingencies:

(a) Operating leases:

The Authority is committed to annual lease payments in respect of office premises, in the following amounts:

	Total
2016	$ 15,355
2017	15,589
2018	15,649
2019	13,183
2020	10,877
	$ 70,653

Included in the payment schedule above are certain commitments that extend beyond 2020. Significant commitments beyond 2020 are as follows:

(*i*) The Authority has a premise lease with the Brewery District Investments Ltd. for the head office of TransLink and TSML which ends in 2033. The monthly commitment for basic rent and operating costs subsequent to year 2020 ranges from $735,000 to $785,000.

(*ii*) The Authority also has a lease for the SeaBus terminal which ends in July 2031. The monthly commitment amount is $11,000.

(b) WCE – lease and operating commitments:

In connection with operating the Commuter Rail System, the operating commitment for WCE include train operations, rolling stock maintenance, land leases, ticket vending and parking management and miscellaneous services.

The following summarizes the WCE operating commitments:

2016	$ 15,053
2017	14,110
2018	13,928
2019	11,852
2020	10,908
	$ 65,851

Subsequent to 2020, monthly operating commitments for WCE are $418,000 to $501,000 for 2021 to 2025.

13. Commitments and contingencies (continued):

(c) Operating commitment with Cubic Transportation System Inc.

The Authority has a contract with Cubic Transportation Systems Inc. ("Cubic") to operate its transit fare system. The contract expires in January 2026 with the Authority having the option to extend the term of the contract for an additional five years.

Base payments to Cubic under the contract terms for operations and maintenance are adjusted periodically based on a CPI index. The base payments prior to adjustments for operational metrics based on 2011 dollars are as follows:

	Fixed Component
2016	$ 11,415
2017	10,972
2018	11,096
2019	11,321
2020	11,651
	56,455

Subsequent to 2020, the fixed monthly payments range from $964,000 to $1,120,000 for 2021 to 2025.

(d) Diesel fuel purchase:

The Authority has entered into multiple fixed price future agreements for diesel purchase volumes up to January 2017. The approximate total payment relating to the fixed price future agreements for the contracted purchase volumes is $9,750,000.

(e) Major Road Network ("MRN") Capital Funding:

The Authority has signed several funding agreements with municipalities on major MRN projects. At December 31, 2015, the net amount of MRN capital infrastructure contributions committed and not paid is $6,300,000 (2014 - $10,720,000). This amount will be paid to the municipalities upon completion of their projects.

(f) Lawsuits and claims:

As at December 31, 2015, a number of lawsuits and claims, arising in the ordinary course of business, have been initiated against the Authority. Management is of the opinion that sufficient provisions net of any recoveries have been made in the financial statements for any lawsuits and claims made against the Authority, except as noted below.

13. Commitments and contingencies (continued):

(f) Lawsuits and claims (continued):

A number of lawsuits commenced against TransLink and/or its subsidiary, CLCO, in relation to the Canada Line project remain outstanding. The Authority does not believe that reasonable estimates of any potential losses can be estimated at this time and therefore, no provisions have been made in the consolidated financial statements for the following:

- A class action lawsuit filed by Cambie area merchants, where no specific amount has been claimed at this time. The trial of the first phase of this class action concluded April 2, 2015. Reasons for Judgment were delivered November 6, 2015. Most of the claims of the merchants were dismissed. The Court's decision allows for certain claims of lesser value to be advanced, however, neither the number of claims to be advanced in the future nor the amount of these claims can be estimated at this time.
- A lawsuit filed by a number of Cambie area merchants, where no specific amount has been claimed at this time.
- Two additional lawsuits each filed by individual Cambie area merchants, where no specific amount has been claimed at this time.

Once a reasonable estimate of the potential liability, if any, is determined, a provision will be recognized.

(g) Other capital and inventory commitments:

At December 31, 2015, $305,700,000 has been contractually committed for other capital projects and inventory (2014 - $372,980,000). Of the total capital commitment, $162,500,000 (2014 - $222,491,000) relates to the Evergreen Line Funding and Support Agreement signed on November 15, 2012 with the Province and BC Transportation Funding Authority (note 12).

14. Statement of cash flows:

	2015	2014
Non-cash changes to operations:		
Amortization of capital assets	$ 168,290	$ 161,472
Amortization of bond discount	1,380	1,244
Amortization of debt issue cost	204	233
Amortization of deferred concessionaire credit (note 10a)	(23,273)	(23,273)
Amortization of deferred government transfers (note 8a)	(207,354)	(70,259)
Amortization of deferred lease inducements and deferred rent	(222)	37
Tangible capital assets contributed to municipalities	3,784	-
Interest accretion (net of payments) on contractor liability	-	6,316
Write-down of tangible capital assets	612	-
Gain on disposal of tangible capital assets	(2,340)	(6,437)
	$ (58,919)	$ 69,333
Changes in non-cash operating working capital		
Decrease (increase) in accounts receivable	223	(5,541)
Increase in supplies inventory	(5,176)	(4,397)
Decrease (increase) in prepaid expenses	797	(3,201)
Increase in accounts payable and accrued liabilities	9,288	4,036
Increase (decrease) in deferred revenue and deposits	12,774	(5,577)
Employee future benefit payable	10,148	10,793
	$ 28,054	$ (3,887)

15. Financial instruments:

(a) Credit, interest and foreign exchange risk:

Unless otherwise noted, it is management's opinion that the Authority is not exposed to any significant credit or interest rate risk as a result of these financial instruments. Interest rate risk related to the Authority's debt will be subject to the market interest rates at the date of refinancing, but this risk is mitigated by spreading maturities of borrowings over multiple years and also regularly making contributions to sinking funds in order to repay all long-term bullet debt over a pre-determined amortization period. The Authority's operations are all based in Canada and exposure to foreign exchange fluctuations is not significant.

15. Financial instruments (continued):

(b) Fair values:

The fair values of certain debt and assets are represented in the table below. Management considers term deposits and money market instruments carrying amounts to approximate fair values. For all other classes of financial instruments presented in these consolidated financial statements, management considers the carrying amounts approximate the fair values.

2015	Fair Values	Book Values
Assets:		
Debt reserve fund with the MFA	$ 36,772	$ 36,407
Restricted investments:		
Unspent government transfers - bonds	136,938	136,918
Self-administered sinking funds - bonds	123,449	117,743
Unrestricted investments:		
Bonds	22,687	22,630
Liabilities:		
MFA Debt (net of MFA administered sinking funds)	916,599	837,317
Bullet Maturity Bonds	1,295,683	1,185,530
Golden Ears Bridge Contractor Liability	1,487,853	1,050,913

2014	Fair Values	Book Values
Assets:		
Debt reserve fund with the MFA	$ 36,176	$ 36,104
Restricted investments:		
Unspent government transfers - bonds	134,278	134,273
Self-administered sinking funds - bonds	80,380	74,934
Unrestricted investments:		
Bonds	24,058	23,980
Liabilities:		
MFA Debt (net of MFA administered sinking funds)	1,024,379	926,533
Bullet Maturity Bonds	1,138,795	1,026,581
Golden Ears Bridge Contractor Liability	1,511,888	1,051,375

16. Taxation revenue:

	2015	2014
Fuel Tax	$ 356,834	$ 340,104
Property Tax	314,659	306,578
Parking Sales Tax	63,334	59,971
Hydro Levy	20,065	19,572
Replacement Tax	17,830	17,932
Total	$ 772,722	$ 744,157

17. Segmented Information:

Bus division

Fixed route bus services, SeaBus service and custom transit are delivered through TransLink's wholly-owned subsidiary, Coast Mountain Bus Company Ltd., and various contractors that operate the Community Shuttle routes, West Vancouver Blue Bus, and HandyDART.

Corporate

TransLink corporate is the organization's head office, responsible for organizational leadership and oversight, and the development and undertaking of TransLink's strategic transportation and financial plans. Other functions centralized at the corporate office include capital project approvals, legal services, information systems, corporate finance, transportation systems planning, internal audit, marketing, public affairs, government relations, real estate services and the transportation demand management program.

Rail division

Automated light rail and commuter train services are provided by TransLink's wholly-owned subsidiaries, British Columbia Rapid Transit Company Ltd. and West Coast Express Ltd., and through the concession agreement for the Canada Line.

Roads and Bridges

TransLink owns and operates the Knight Street Bridge, Pattullo Bridge, Westham Island Bridge, and the Golden Ears Bridge. In partnership with the municipalities, TransLink supports the Major Road Network (MRN), a network of major roads throughout Metro Vancouver. The MRNs are generally owned by municipalities. TransLink provides funding for the operations, maintenance, and rehabilitation of the MRN, and shares in the costs of eligible capital improvements.

Transit Police

The South Coast British Columbia Transportation Authority Police Service ("Transit Police") maintain order, safety and security on transit facilities and adjacent areas, and are authorized to enforce laws. The Transit Police coordinate its activities with jurisdictional police as well as other transit security staff.

17. Segmented Information (continued):

	Bus division	Corporate	Rail division	Road & Bridge	Transit Police	2015	2014
Revenues							
Taxation	$ -	$ 772,722	$ -	$ -	$ -	$ 772,722	$ 744,157
Transit	-	511,445	-	-	-	511,445	495,609
Golden Ears Bridge tollings	-	-	-	48,444	-	48,444	41,623
Emissions testing	-	-	-	-	-	-	12,047
Government transfers	-	228,693	-	250	-	228,943	90,291
Amortization of deferred concessionaire credit	-	-	23,273	-	-	23,273	23,273
Interest income	-	34,381	-	-	-	34,381	34,739
Miscellaneous revenue	2,941	2,732	236	-	193	6,102	5,576
Gain (loss) on disposal of tangible capital assets	244	2,261	(165)	-	-	2,340	6,437
	3,185	1,552,234	23,344	48,694	193	1,627,650	1,453,752
Expenses							
Administration	13,692	23,970	4,583	55	2,338	44,638	30,930
Capital infrastructure contributions	-	-	-	30,653	-	30,653	43,953
Contracted services	68,407	5,934	116,765	12,457	-	203,563	212,119
Fuel and power	50,181	-	12,752	-	-	62,933	70,216
Insurance	13,529	1,674	4,246	1,096	36	20,581	18,727
Maintenance, materials and utilities	58,824	3,461	33,654	24,744	1,173	121,856	113,239
Professional & legal	2,226	17,533	3,573	10,198	422	33,952	13,321
Rentals, leases and property tax	12,840	9,041	17,022	47	1,912	40,862	40,201
Salaries, wages and benefits	423,785	42,062	75,104	1,240	27,255	569,446	551,606
Write-down of tangible capital assets	-	-	612	-	-	612	-
Expenses before amortization and interest	643,484	103,675	268,311	80,490	33,136	1,129,096	1,094,312
Amortization of capital assets	79,234	11,761	58,082	19,185	28	168,290	161,472
Interest	47,390	7,123	34,736	78,633	20	167,902	171,094
Amortization and interest	126,624	18,884	92,818	97,818	48	336,192	332,566
Total Expenses	770,108	122,559	361,129	178,308	33,184	1,465,288	1,426,878
Surplus (deficit) for the year	$ (766,923)	$ 1,429,675	$ (337,785)	$ (129,614)	$ (32,991)	$ 162,362	$ 26,874

18. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.